DB Insurance

INTEGRATED REPORT 2023

ABOUT THIS REPORT

Overview of 2023 Sustainable Management Integrated Report
2023 Integrated Sustainability Report is the 8th Integrated Report and the 13th Sustainability Report published by DB Insurance. DB Insurance describes business performance, financial performance, and non-financial activities and performance in the Integrated Report on Sustainability Management every year.

Reporting Period
The reporting period of this report is from January 1 to December 31, 2022. For certain significant matters, this report includes activities and achievements for the first half of 2023. In the case of key non-financial performances, the three-year (2020–2022) performances were disclosed together to make it possible to identify year-on-year trends.

Reporting Scope and Boundaries
This report mainly covers the domestic places of business of DB Insurance including its headquarters, nationwide business divisions, and the Compensation Department and excluding consolidated companies. It also features some of the oversea branches and offices and their performance. Non-financial data covers 100% of sales, and environmental performance indicators are reported on a total of nine owned buildings and leased offices.

Reporting Standards
This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and the Financial Service Sector Supplement. As a member of the UN Global Compact, we have also included in this report our activities and performance that fulfills the 10 principles of the Communication on Progress Standards. Financial performance is presented in accordance with the Korea International Financial Reporting Standards (K-IFRS), and any changes made to the previous report have been specified separately herein.

Assurance of Report
In order to secure the reliability and fairness of this report's contents and data, this report has gone through the verification process of the BSI (British Standards Institution), a third-party certification agency, and the assurance statement is included on the "Third-Party Assurance Statement" page.

Company name	DB Insurance Co., Ltd.
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Division in charge	ESG Office
Contact	+82-2-3011-3138 / f1140076@dbins.co.kr
Website	www.idbins.com

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CEO Message

Greetings to our stakeholders, I would like to express my deepest gratitude for your unwavering support and interest in DB Insurance.

Greetings to our stakeholders,

I would like to express my deepest gratitude for your unwavering support and interest in DB Insurance.

Last year, the company's 60th anniversary, was a historic year in which the company significantly grew, thanks to the passion and unified will of the employees despite the pandemic and unstable economic environment. I think that the company was able to achieve these results, thanks to the constant efforts of everyone in the company to grow into a "global insurance group pursuing a happy society with customers" and the warm interest of stakeholders who supported us.

This year, the economic recession is expected to continue due to rising prices and interest rates, and uncertainty in the financial market is expected to increase due to exchange rate and liquidity issues. In particular, the insurance market is expected to experience a deterioration in both growth and profitability arising from an increase in the loss ratio due to the return to normal life after the pandemic, a decrease in demand for insurance, and an increase in the risk of liquidity and investment assets.

However, DB Insurance is taking the crisis of the past few years as an opportunity to achieve its mid-term roadmap faster than planned. This year, based on the past 60 years, it intends to lay the foundation, with efficiency-based substantial management activities, for the sustainable management to differentiate itself from its competitors.

At the same time, in order to position itself as a global insurance group and a leader of ESG management, DB Insurance will make efforts to preemptively respond to climate change, create social values, and establish a transparent governance system. We will faithfully comply with SDGs, UNEP FI Principles of Sustainable Insurance (PSI), and TCFD (Task Force on Climate-related Financial Disclosures).

Dear DB Insurance stakeholders,

This year marks the closing of the company's first 60 years and the beginning of another 60 years. Despite the rapidly changing market conditions and fierce competition, all executives and employees of DB Insurance will continue to grow sustainably with the attitude of "bon-rip-do-saeng" (本立道生), meaning that you will find a way forward if you keep the basics and principles, as we have done so far.

We would like to express our gratitude once again for your deep interest in DB Insurance, and pledge that DB Insurance will continue its win-win management in which we think and grow together with the stakeholders.

Thank you.

June 2023

DB Insurance Co., Ltd. CEO **Jongpyo Jeong**

Jong pyo Jeong

DB Insurance

DB Insurance Co., Ltd., which was launched as Korea Public Auto Insurance Company in 1962, was affiliated with the DB Group in 1983. The company changed its name to Dongbu Insurance Co., Ltd. in October 1995, and has grown into a general non-life insurance company representing Korea based on its management philosophy that puts customer satisfaction first and its excellent financial soundness. In November 2017, the company changed its name to DB Insurance Co., Ltd. in order to leap forward as a global insurance finance company.

DB Insurance, which has laid the foundation for stable growth through profitable management for over twenty years based on profit-oriented management, systematic loss ratio management, and industry-leading ROE and ROA, has grown and developed with our society by fulfilling its social responsibilities as a desirable corporate citizen.

Name of company	DB Insurance Co., Ltd.	Headquarters	DB Financial Center, 432 Teheran-ro, Gangnam-gu, Seoul, South Korea
CEO	Jongpyo Jeong	Number of employees	4,509 (as of Dec. 31, 2022)
Date of incorporation	March 2, 1962	Website	www.idbins.com

Vison

To realize the vision of a “global insurance group pursuing a happy society with its customers,” DB Insurance is proactively responding to the rapidly changing financial environment through systematic and robust management innovation. Based on innovation activities across the company management, including personnel, channels, and systems, we were able to secure an advanced service system, as well as achieve balanced growth in sales, profit and loss, and assets, thus laying a solid foundation for sustainable growth. As a sustainable company that provides the value desired by customers and fulfills its social responsibilities, DB Insurance will go beyond the domestic insurance market and become a global insurance group, standing shoulder to shoulder with the world.

An Excellent Global Company

A Global Insurance Group
which envisions a happy community with customers

Aiming for the top player through top-line growth based on management efficiency

Value creation for customers

Increasing upscale customers through digitalbased channel innovation

Boosting profitability

Creating sustainable profits by strengthening core competencies

Acquiring new growth engines

Diversification of business portfolio focusing on future growth

Overview of DB Insurance

As of December, 2022

Total Asset	Total Capital	Revenue	EBT	Sales Staff	Customers
KRW 50.4 trillion	KRW 5.05 trillion	KRW 16.1 trillion	KRW 1.29 trillion	21,842 persons	11.05 million people

(including prime agents)

Products

- Long-term insurance
- Car insurance
- General insurance

Services

- Emergency dispatch service
- On-site dispatch service
- Auto-care service
- Promy Car service
- Car care service
- Promy Health Guardian Service
- Affiliated funeral service
- Will management link service
- Risk management service
- Legal assistance service
- Retirement planning consulting

Exclusive Sales Channels

- **PA (Prime Agent)**
  Exclusive insurance planner that only sells DB Insurance products
- **Insurance agency**
  Agency that only sells DB Insurance products under an exclusive contract

Non-Exclusive Channel

- **Insurance planners**
  Life insurance planners that also sell non-life insurance products
- **GA (General Agency)**
  Non-exclusive insurance agency that can sell insurance products from all insurance companies

DB CI (Corporate Identity)

The symbol in the corporate identity of DB Insurance is a shape formed with the letters of “DB”, and it is a creative development of the tradition and spirit of ‘Dongbu’ in step with the times. It inherits the history and tradition of “Dongbu” by applying orange and green, the colors of the old CI, while expressing the will and hope for the future with blue, the color that means “east” and “youth”. It also implies that the “sun” (orange) and “water” (blue) meet to create “life” (green). The gradation applied to the color of the figure adds a three-dimensional quality and dynamism to it.

Symbol

Global Network

Starting with its entry into the US market, DB Insurance secured a foothold in the Chinese market through its strategic investment that acquired equity in Ancheng Insurance in China in 2014. We are taking a leap forward as a global premium insurance company by acquiring Vietnam PTI in 2015, considering the strategic importance of the Southeast Asian market.

Global Network

As of Jan. 2023

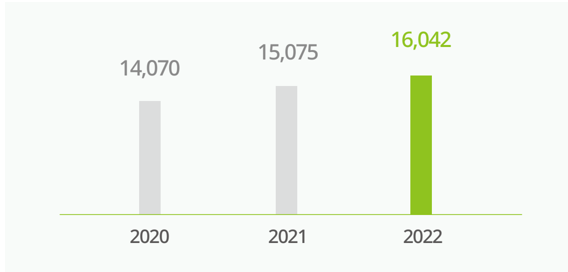
Overseas Branches	Guam, Hawaii, California, New York
Overseas Subsidiaries	Ancheng Insurance (Chongqing) in China, PTI (Hanoi) in Vietnam, Hawaii Claim TPA, New York investment subsidiary
Overseas Offices	Beijing, Yangon, Jakarta
Brokerage Joint Ventures	Qingdao Brokerage Corporation[1]

1) T&Z Consultants

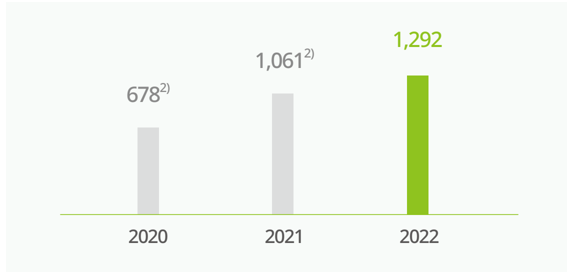
HIGHLIGHTS

Business Performance

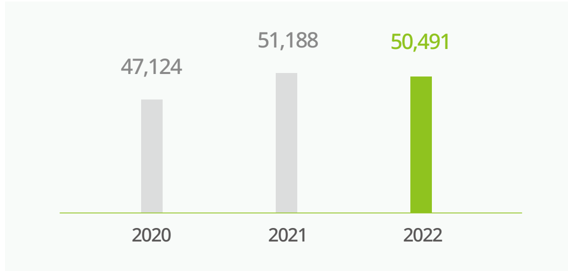
Direct written premium (Unit : KRW billion)



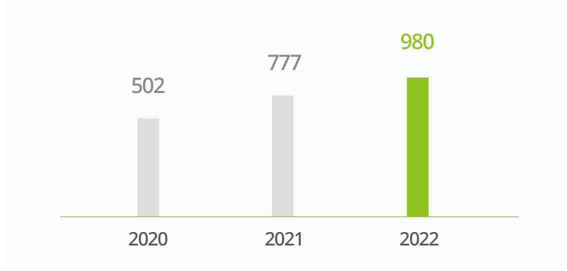
Operating profit (Unit : KRW billion)



Assets (Unit : KRW billion)



Current net income (Unit : KRW billion)



2) Figure change due to corrective disclosure of business report

Credit Rating

A.M.Best — Overseas

Financial soundness: A (Positive)

Debt payment: a+ (Positive)

S&P rating — Overseas

A (Stable)

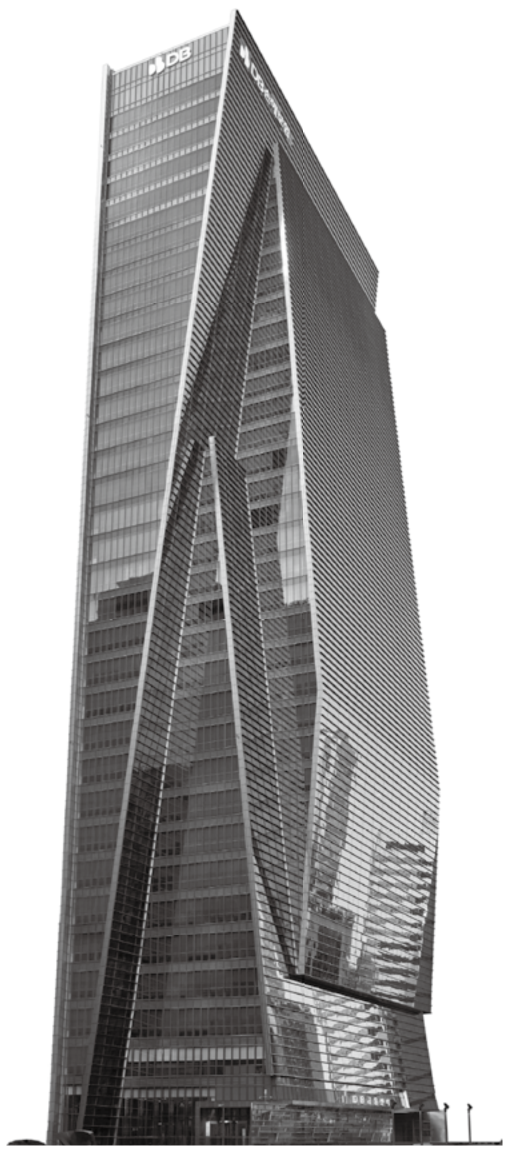
Korea Investors Service — Korea

Insurer solvency assessment: AAA (Stable)

Corporate bonds (Subordinated): AA+ (Stable)

CORPORATE HISTORY

Directions of Future Growth of DB Insurance



Employees

Direction

Establishment of the number one corporate culture of communication and unity

Implementation plans

- We will strengthen collaboration between the field and the headquarters.
- We will promote mutual understanding based on communication between employees and generations.
- We will create working conditions to increase the motivation to work.

Customers

Direction

Creating lifetime customers out of companions made over the past 60 years

Implementation plans

- We will hold events to enhance company awareness and reputation.
- We will produce and distribute emblems carrying social values.
- We will expand communication and exchange with customers.

Business Partners

Direction

Establishment of a foundation for achieving Top Player through win-win growth with partners

Implementation plans

- We will increase the sense of belonging and solidarity with the company.
- We will expand mutual communication channels and engage in sincere communication.
- We will support the growth of our partners.

History

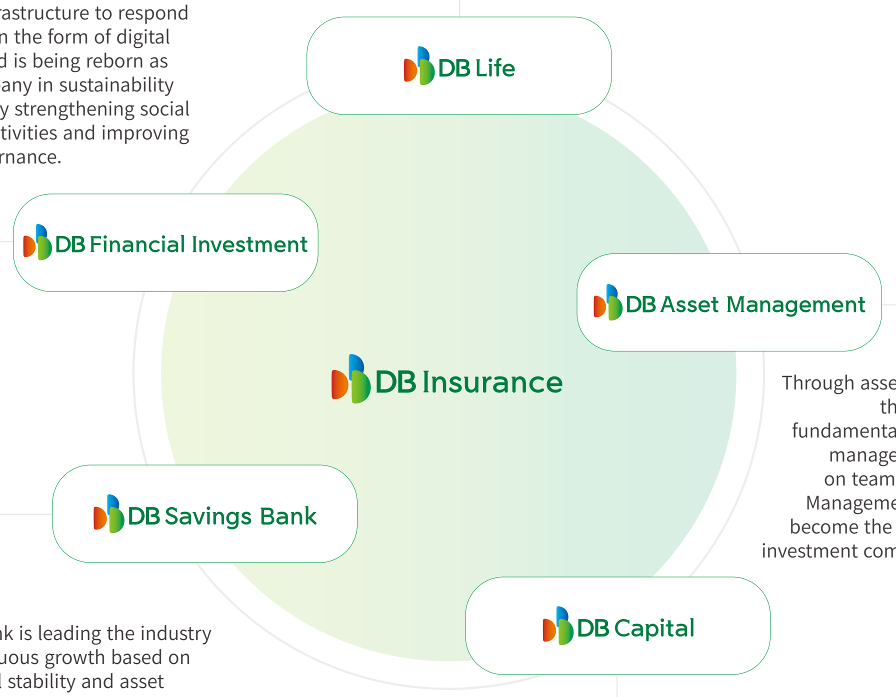
1962.3	Korea Public Auto Insurance Company established
1963.6	Automobile liability insurance sales start
1971.3	Completion of head office building
1973.3	IPO
1976.5	Sales of liability insurance for the first time in Korea
1981.1	First online system operation in the non-life insurance industry
1983.2	DongBu Group's management rights acquired
1984.10	Business license acquired for all types of non-life insurance
1991.12	New York and Tokyo offices opened
1995.10	Company name changed to DongBu Insurance Co., Ltd.
1997.8	Acknowledged by Guinness Records for the first time in comprehensive automobile insurance
2002	"PROMY", launched as an auto insurance brand
2004	Proclamation of "New Innovation Management"
2009	Total assets exceed KRW 10 trillion
2010	Dynamic Dongbu declared as a new slogan
2012	Total assets exceeded KRW 20 trillion
2015	Total assets exceeded KRW 30 trillion
2017	Company name changed to DB Insurance Co., Ltd.
2018	Received credit rating A from S&P
2019	Total assets exceeded KRW 40 trillion
2020	Exceeded 10 million customers
2021	Total assets exceeded KRW 50 trillion and pre-tax profit exceed KRW 1 trillion
2022	1st place in long-term insurance sector of KS-SQI (Korea Standard - Service Quality Index), for 2 consecutive years Opened "DB T-System," the industry's first insurance fraud network analysis system

DB Financial Network

DB Financial Conglomerate (DB FC) is a financial conglomerate that seeks to enhance corporate value and achieve continuous growth based on responsible management for each company. With the advanced corporate governance system, we secure the interests of various stakeholders such as DB FC customers, investors, shareholders, partners and employees, and strategically respond to the changes in the business environment and market while strengthening trust. The DB Financial Network is divided into financial and non-financial affiliates for governance purposes. The financial affiliates are formed in a vertical governance structure centered on DB Insurance, having no shareholding relationships to one another such as mutual or circular investment structures.
DB Insurance, as a company representing the DB Financial Network ("representative company"), has not only established a department dedicated to risk management/internal control under Chief Risk Officer ("CRO") and compliance officer but is also working to preemptively build an FC management system by enacting the "Standards for Risk Management and Internal Control of Financial Conglomerates" to efficiently manage risks at the FC level and through the operation of a Risk Management and Internal Control Council for the FC.

Based on balanced development of sales channels such as FP (financial planner) sales channels, GAs (General Agents), new channels, and bancassurance, sales focusing on protection-type insurance products, and stable asset management, DB Life is growing as a company.

DB Financial Investment is actively investing in infrastructure to respond to the change in the form of digital technology, and is being reborn as a leading company in sustainability management by strengthening social contribution activities and improving corporate governance.



Through asset management that sticks to the fundamentals and efficient management centered on teamwork, DB Asset Management is aiming to become the best long-term investment company in Korea.

DB Savings Bank is leading the industry through continuous growth based on strong financial stability and asset soundness.

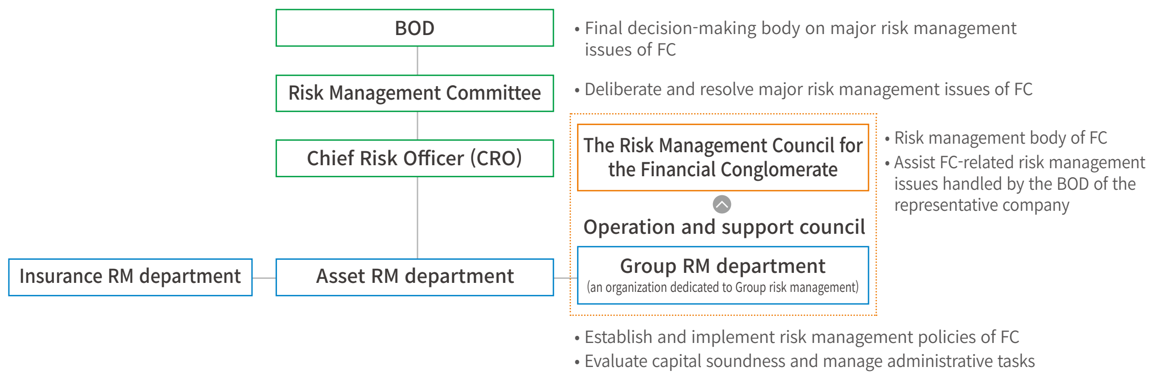
Aiming for stable top-line growth through diversification of its investment portfolio, DB Capital is laying the groundwork for growth by revitalizing the investment finance sector.

DB Financial Conglomerate

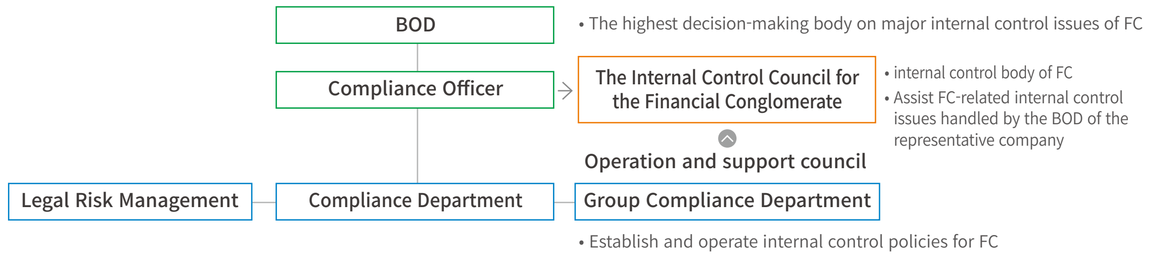
According to 'Act on the Supervision of Financial Conglomerates', a group consisting of 16 affiliated financial companies including DB Insurance was designated as a financial conglomerate. DB Insurance was selected as a representative financial company through consultations between the affiliates and has performed tasks such as risk management and establishment of internal control policies for the financial conglomerate.

Operation of the Board of Directors and the Financial Conglomerate Risk Management Committee	The Board of Directors and the Financial Conglomerate Risk Management Committee receive regular reports from DB Insurance, a representative financial company of the group, on the financial status and governance of affiliated companies, and the status of internal transactions and risk concentration among affiliated companies. Based on the report, they deliberate and decide on major policies related to risk management and internal control for the financial conglomerate for the purpose of managing risk transfer to prevent joint insolvency of financial conglomerates and managing the risks of specific business categories facing affiliates such as insurance, financial investment, and credit.
Operation of the Council on the Risk Management / Internal Control for the Financial Conglomerate	The Risk Management Council and the Internal Control Council for the Financial Conglomerate have appointed as its members the risk management officers and compliance officers from major financial affiliates: DB Insurance, DB Life, DB Financial Investment, DB Asset Management, DB Savings Bank, and DB Capital. The Risk Management Council is conducting preliminary reviews on major risk agendas for the financial conglomerate that are subject to deliberation and resolution by the Risk Management Committee and important management matters within the financial group.

Risk management system of FC



Internal control system of FC



DB Financial Investment

DB Financial Investment has set the three core sustainability agendas of mutual growth through venture capital development, active digitalization, and business transformation based on ESG/carbon neutrality, and is carrying out detailed tasks for each sector. In addition, DB Financial Investment supports the sustainability capabilities of DB Financial Network by ensuring risk response capabilities that can support a stable financial structure. It is laying the foundation for securing excellent human resources, and is growing into an excellent financial investment company.

Business Performance in 2022

In 2022, as volatility increased due to rapid interest rate hikes by central banks in many countries because of inflation concerns and a resulting sharp drop in asset prices, and due to various geopolitical factors including the U.S.-China conflict, there was a severe impact not only on the financial investment business to which we belong but also on the entire industry.

Despite maintaining profitability in the IB sector, the company's performance declined from the previous year due to factors such as sluggish performance in the bond management sector following a rapid hike in interest rate and a decrease in WM trading volume due to increased risks. However, this deterioration in performance is showing rapid recovery through the company's quick response while the bond market stabilized from the end of 2022 to the first quarter of 2023.

In the support sector, we promoted digitalization by developing applications using new technologies and building our sales information system, and we made achievements such as obtaining the family-friendly company certification from the Ministry of Gender Equality and Family by improving working conditions that have been continuously further enhanced to secure excellent human resources.

2022 Sustainability management strategies

Goal	Achievements
Shared growth through building venture capital	• Number of customer accounts +55.3% (2,256 accounts) and customer assets +305% (KRW 712 billion) as compared to the previous year • Published analysis materials that introduces unlisted companies (total of 41 companies) • 1 case of IPO (Bio F&C)
Active response to digitalization	• Opened new MTS service that significantly improved customer service and convenience • Improved customer service quality through restructuring of the call center system • Established corporate information system (CIS) for systematic customer/sales information management through digitalization of head office sales information • Expanded IT infrastructure investment to expand service availability and strengthen stability
Transition to ESG & carbon neutrality	• Established and implemented the ESG management orientation • Certified as a family-friendly company (Ministry of Gender Equality and Family) • Determination of conformity for environmental information disclosure system (Ministry of Environment) • Conducted campaign activities such as practicing carbon-neutral lifestyle and reducing power consumption

Status of Employees (Unit : person)

Category		2020	2021	2022
Total number of executives and employees		814	819	827
	Male	555	554	564
	Female	259	265	263
New hires / Resignations	New hires (Male/Female)	69(38/31)	96(57/39)	95(66/29)
	Resignations (Male/Female)	60(38/22)	88(56/32)	97(67/30)
Executives / Employees	Executives	15	15	14
	Employees	799	804	813
Employment type	Permanent	727	662	671
	Non-permanent	87	157	156
Age	Under 20 y/o (Male/Female)	11(0/11)	22(1/21)	10(0/10)
	20 to 30 y/o (Male/Female)	96(35/61)	92(39/53)	98(34/64)
	30 to 40 y/o (Male/Female)	269(153/116)	238(137/101)	203(117/86)
	40 to 50 y/o (Male/Female)	301(240/61)	322(247/75)	346(260/86)
	Over 50 y/o	137(127/10)	145(130/15)	170(153/17)

Customer investments in new technologies and ventures

(As of 2022; Unit: no. of accounts, KRW 100 million)

Category	Fund	No. of Accounts	Value
KOSDAQ Venture	DB Mezzanine Plus KOSDAQ Venture General Private Equity No. 2 and 84 others	756	4,524
Konnex	Leewoon Separate Taxation Konnex High Yield General Private No. 5 and 11 others	92	366
ESG	Korea Investment e Short-Term Bond ESG Securities Investment Trust (bond) and 34 others	982	2,102
Quaternary industry	Multi Asset Global Quaternary Industry Convertible Bond H (bond) and 22 others	426	129
Total		2,256	7,120

IR performance for 2022 new technology and venture companies

Item	Target Companies
Publication of analysis data on venture companies (total of 41 companies)	Vessel Aerospace, Mint Air, APET, Lunit, Olimplanet, Devotion Tuse , Unlimeat, Danagrim , Space F, TEMC, GINT, z-emotion, Boryung Biopharma, Galaxy Corporation, HYTC, SAMG Entertainment, Ideahub, OGQ/Handhug, Anipen, FNS Holdings , TDL, Dansolplus, Comico Paray , Go2Joy, Okxe, Huons Foodience, Bigwave Robotics, INTAKE, DEEPX, AutoCrypt, C& Tech, ArchiDraw, Gitua, K Shipbuilding, 2bytes Corporation, GI Innovation, Hahm Partners, KC EnviroServices, Peaches Group Korea , CONTEC, b:eat corp.

DB Life

Business Performance in 2022

Sales activities continuously contracted in 2022 due to the COVID-19 spread that has persisted for three years. Even in this market environment, DB Life strengthened its business competitiveness through the launch of new products and conducted stable asset management based on ALM (Asset and Liability Management), achieving total assets of KRW 12.8 trillion, total insurance premium income of KRW 1.8 trillion, protection-type insurance premium income of KRW 1.6 trillion, and pre-tax profit of KRW 61.9 billion on a consolidated basis in 2022 and a surplus for 23 consecutive years since 1999. DB Life will strive to become a company that continues to grow and a company that accompanies the local community. It will accomplish this through the practice of warm-hearted sharing by developing differentiated new products, insurtech capabilities, as well as a corporate culture of trust and communication.

2022 Sustainability management strategies

Category	Achievements
Reinforcing competitiveness of main business	• Insurance product/sales channel - Continuous development of various insurance products and services to meet customer needs - Operation of various channels and development of new channels so that customers can conveniently contact DB Life anytime, anywhere • Asset management - Achieved sustainable and stable asset management performance for valuable customer assets based on specialized risk management capabilities • Digital transformation - Applied digital technology to the entire business of DB Life in order to provide customers satisfaction with innovative insurance products and convenient services.
Consumer-centered management	• Consumer-centered management - Operated a consumer panel system - Reinforced the protection for the financially vulnerable (e.g., operating a call center exclusively for seniors) - Developed easy-to-understand insurance terms and conditions • Awards and certifications - Inducted into the Hall of Fame in the Customer Satisfaction Management category at the Korea Business Awards - Consumer-centered Management (CCM) certification for 4 consecutive years - Selected as an excellent company in the call center sector of the Korea Service Quality Index (KSQI) for 7 consecutive years - Received "Excellent" grade 11 times, the highest in the industry in the evaluation of understanding of insurance terms and conditions
Implementing ESG management	• Operation of a working-level council for ESG practice • Environmental - Continued investment in eco-friendly sectors such as sustainability and green bonds - Reduced paper consumption by operating a paperless electronic subscription system - Implemented training and campaigns related to environmental protection • Social - Conducted jumping rope challenge where expenses were donated for heart disease surgery - Carried out "Loving Delivery of Kimchi" - Managed Branch School with Angels (after-school class support program) • Governance - Operation of the Board of Directors and its subcommittees in accordance with the Act on Corporate Governance of Financial Companies - Disclosure of the Annual Report on Corporate Governance and Remuneration System

DB Capital

Based on the foundation for growth through vitalization of corporate finance, DB Capital seeks to achieve balanced external growth by diversifying its management portfolio. We will move forward as a company that practices sustainable management by preemptively managing risks in the face of growing uncertainty.

DB Savings Bank

DB Savings Bank has established a mid- to long-term strategic direction to achieve balanced growth at the top line and profit, and is promoting changes to maintain competitiveness in a new environment based on profitability-oriented asset growth and a solid profit base. We will continue our efforts to contribute to our shareholders, customers and society by pursuing change and innovation to become an excellent savings bank.

DB Asset Management

DB Asset Management is continuing its efforts to become the best long-term investment company in Korea by complying with internal control standards based on a thorough risk management system. In order to achieve stable growth in the value of customer assets, we are realizing sustainable and transparent management based on ESG investment.

(Unit : KRW million)

Category	DB Financial Investment (consolidated)			DB Life			DB Capital			DB Savings Bank			DB Asset Management		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total assets	9,959,594	9,583,673	9,757,370	12,296,265	12,666,082	12,828,698	357,453	498,760	550,283	1,446,025	1,823,177	2,147,597	63,883	68,798	65,892
Liability	9,037,534	8,535,236	8,710,072	11,551,947	11,951,301	12,244,389	260,143	389,631	377,022	1,257,097	1,617,785	1,928,312	5,723	5,461	2,788
Equity	800,336	916,955	1,047,298	744,317	714,781	584,309	97,310	109,128	173,261	188,928	205,392	219,285	58,160	63,337	63,104
Operating profit	1,590,289	1,410,732	1,223,166	2,397,041	2,283,760	2,363,059	20,722	33,516	40,269	67,901	80,169	113,276	24,920	25,545	19,029
Net income	106,894	126,818	10,770	28,474	39,062	45,318	6,242	11,737	14,481	7,609	14,609	21,212	5,118	6,377	967

Diverse Product Portfolio Tailored for Different Stages of Customer's Life

As people's life expectancy increases, customers face a variety of potential risks in the different stages of their lives. DB Insurance develops and provides a variety of products so that customers can preemptively respond to such risks and thereby lead a stable and prosperous life.

Single Early Family Stage

• Single households • Customers who are building a new family • Households without children • Households with preschool children

Medical Indemnity Insurance	• Insures items that are not covered by the National Health Insurance • Medical indemnity coverage subscription via normal terms and conditions
I LOVE Plus Health Indurance	• Covers risks for each stage of child development • Essential coverage for growth periods can be offered at a low cost, terminating at age 30 • The 3 major diseases covered up to age 100
Excellent Driver's Accident Insurance	• Covers insurance subscribers' traffic accidents and general injuries that may occur in everyday life, on top of car insurance

Family Growth

• Customers at the stage where their family is growing • Customers whose children are in adulthood

Excellent Dental Insurance	• Covers various dental treatments across three stages • Coverage up to the senior years
Simplified and Convenient Health Insurance for Me	• Covers seniors' medical costs • Subscription possible for those with illnesses, patients suffering from high blood pressure, and diabetics
Comprehensive Life Insurance Tailored to Me	• Covers damages to assets, physical injuries, and driver damages that may occur during daily life • Covers liabilities for damages in rented housing
Excellent Double Plus Comprehensive Insurance	• For dementia that requires constant treatment and care • For spinal, brain, and cardiac illnesses, as well as chronic diseases

Retirement · Senior Years

• Customers older than 60 • Customers who require management of retirement and aging

2Q Super simple health insurance	• Easy subscription process consisting of only two questions • Those with illnesses can also easily subscribe
Convenient Family Love Dementia Care Insurance	• Dementia coverage by CDR stage • Covers the cost of diagnosis and treatment costs for seniors if long-term treatment is necessary

Value Creation Process

6 Major Capitals

Financial Capital
DB Insurance appropriates financial resources for insurance payments, business expenses, and operating funds from insurance premium revenue generated through sales of insurance products. We make strategic investments to ensure the safe management of customers' assets and the achievement of high profits, and strive to identify opportunities for socially responsible investment.

Manufacturing Capital
In terms of manufacturing capital, DB Insurance conducts business operations based on IT systems, data centers, etc. We have established a disaster and emergency response system to ensure the stable delivery of services.

Intellectual Capital
Accelerated by external changes such as the low birth rate, an aging population, and prolonged low economic growth, insurance products and services are diversifying. DB Insurance categorizes customer groups based on customer research and the results of Big Data analysis, developing customer-oriented products reflecting consumer need and thus providing value through differentiation.

Human Capital
In line with the nature of the insurance industry, human talents are the core assets and sources of an insurance company's competitiveness throughout the value chain, from product development to sales. Aiming to maximize our management performance, DB Insurance strives to foster industry-leading job experts by utilizing a new education system that focuses on enhancing the competencies of each employee.

Social and Relationship Capital
DB Insurance pursues a happy society together with our customers, striving to realize customer satisfaction by providing products and services that customers truly need. Also, considering that the non-life insurance industry is strictly regulated by the government, we actively comply with government policies in this regard.

Environmental Capital
Greenhouse gases are emitted as a result of using electricity, heating and cooling boilers, and data centers across a total of 9 buildings and 556 leased offices within Korea. We systematically manage these environmental capitals in accordance with our environmental guidelines and ISO 14001 certification.

Development of Products and Services

Creating differentiated values through the development of essential products and services that customers truly need

Products • Long-term insurance • Car insurance • General insurance

Services • Emergency dispatch service • On-site dispatch service
• Auto-care service • Promy Car service • Car care service
• Promy Health Guardian Service • Affiliated funeral service • Will management link service
• Risk management service • Legal assistance service • Retirement planning consulting

Delivering Products and Services

Offering the best customer experience through a customer-oriented sales channel

Exclusive Sales Channels	PA (Prime Agent)	Exclusive insurance planner that only sells DB Insurance products
	Insurance agency	Agency that only sells DB Insurance products under an exclusive contract
Non- exclusive Channels	Insurance planners	Life insurance planners that also sell non- life insurance products
	GA (General Agency)	Non-exclusive insurance agency that can sell insurance products from all insurance companies

Sharing Products and Services

Sharing customer values through a specialized support system and nationwide compensation network to grow customers' assets

Asset Management
Domestic and overseas investment and loan business
Establishing an organization dedicated to asset management under a mid- to long-term plan

Compensation
Damage investigation → Damage assessment → Damage compensation (long-term, car, general)

BUSINESS

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Innovation to Boost Business Competitiveness

To discover new growth engines and achieve management efficiency, DB Insurance is promoting company-wide innovative management. The Innovation Committee, led by the CEO, establishes company-wide innovation plans based on mid- to long-term management plans, selects execution tasks, and increases the capacity to realize innovations through a dedicated organization, such as nurturing human resources and managing tasks. Tasks designated as innovation projects are integrated and managed as a system, and their effectiveness is enhanced through continuous monitoring and feedback. In 2023, we are focusing on speed innovation in order to apply new technologies related to the Fourth Industrial Revolution, such as artificial intelligence (AI), big data, and the Internet of Things (IoT), and to strengthen the capability to enact digital transformation.

2023 Innovation Management Promotion System

Control Tower	**Innovation Committee (Chairperson : CEO)**	Task selection, task approval, performance feedback
Innovation office	**Digital Innovation division (MBB[1] 6 people)**	Innovation planning, task selection, and implementation support, performance verification (FEA[2] 7 people)

	Promotion method	Innovation scope	Goal
Top Down	Company-wide innovation task	Business structure innovation (Biz Model)	Securing competitiveness (Evolutionary level up)
	Executives' innovation tasks (Design thinking)		
	In-house/external open competition-type innovation task	Customer- oriented, product process innovation	Quality (Reduction of dispersion)
Bottom Up	DB regulation sandbox	Operational unit innovation	Efficiency (Speed improvement)
	Proposing/ task distributing group	Company- wide business improvement, cutting hidden costs	Efficiency (Business improvement)

Performance direction

1) MBB (Master Black Belt) : Advance in-house innovation certification grade
2) FEA (Financial Effect Analyst) : Financial impact analysis

Innovation Roadmap

Scientific Innovation (~2009)	• Introduced 6 Sigma • Removed inefficiencies
Strategic Innovation (2010~2017)	• Business structure innovation • Secured new growth engines
Digital Innovation (2018~Present)	• Applied new technologies in practice • Expedited problem solving

Transformation to high-efficiency business structure

In order to increase the concentration of the companywide mid- to long-term strategy and strengthen its execution, DB Insurance has implemented detailed strategic tasks. As part of the effort to achieve the "2025 mid- to long-term strategy," business structure innovation tasks led by the heads of departments were selected to improve the concentration on company-wide growth strategies, and tasks such as business structure improvement accompanied by organizational change, core process and system innovation, and core human competency improvement have been systematically implemented in 2022.
In order to successfully achieve business structure innovation tasks in 2023, improvement tasks are being implemented in 1Wave, and executive innovation tasks are being conducted in 2Wave in connection with open innovation. In addition, digital technology supports such as AI and RPA have been strengthened to provide immediate and prompt support for issues and technical requirements in project promotion.

Main Innovation Tasks for 2023

Innovation tasks implemented through open competition	• Increase of insurance premium per vehicle by encouraging the coverage for own vehicle damage • Reinforcing activities to check accident damage when dispatched to the site • Expansion of unmanned reporting for car accident • Automated minimum tasks for receiving long-term compensation claim • Efficient reception of long-term accident report by use of RPA (Robotic Process Automation) in place of fax/e-mail
Products for customers	• Building an advanced U/W system using customer information
Channels	• Advanced management of retained customers through vitalization of non-contact customer marketing • Establishment of a sales model based on customer consulting • Increase of customer value by use of experience data • Vitalization of general insurance sales based on channel characteristics
Compensation	• Improvement of compensation work structure centered on profit/loss and efficiency • Establishment of a differentiated profit/loss management model linked to regulatory changes for patients with minor injuries
Asset management	• Reinforcement of the high-efficiency bond management strategy
Management support	• Advancement of ALM strategy and establishment of management indicators

Culture of innovation

In order to create a work environment where employees can immerse themselves in their work, DB Insurance is making efforts to internalize innovative management. Every year, the company holds a contest to present best practices within the company, and rewards tasks selected as best practices. The CEO directly reviews company-wide innovation tasks and all executives promote innovation projects to enhance the execution of innovation management.
"Suggestions from Departments," a representative innovation activity that started in 2016, developed into a field improvement circle activity in 2017. In 2018, the on-site improvement circle activity developed into a "one-team activity" through employee participation. The one-team activity involves autonomous groups that promote work improvement activities regardless of department or team. A total of 590 teams were active from 2018 to 2022, and as of 2023, a total of 218 teams are actively participating in improvement activities.

Innovation activities performance

DB Insurance has established the best quality management system in the South Korean financial industry through its systematic and continuous quality innovation. Starting with the 'National Quality Award' in 2015, the company became the first in the insurance industry to receive the 'National Quality Masters' for two consecutive years in 2016 and 2017, solidifying its position as a leading company in the industry. In addition, since 2017, the company has been awarded every year in the "excellent quality circles" category of the National Quality Management Competition hosted by the Korean Agency for Technology and Standards (KATS) and organized by the Korean Standards Association (KSA), and as of the end of 2021 had received the Iron Tower Order of Industrial Service Merit and 8 Gold Awards, 2 Silver Awards, and 2 Bronze Awards. In 2022, the company received 2 Gold Awards and 2 Silver Awards, achieving a cumulative total of 10 Gold Awards, and was the first in the financial industry to receive awards for six consecutive years.

Honors from Year-to-Year National Quality Management Competitions

2022	• 2 Gold Awards and 1 Silver Award in the category of excellent quality circles
2021	• 2 Gold Awards and 1 Bronze Award in the category of excellent quality circles
2020	• The Iron Tower Order of Industrial Service Merit and 3 Gold Awards and 1 Silver Award in the category of excellent quality circles
2019	• 2 Gold Awards and 1 Silver Award in the category of excellent quality circles
2018	• Bronze Award in the category of excellent quality circles
2017	• First Gold Award for the first excellent quality circle in the financial industry • National Quality Grandmaster
2016	• National Quality Grandmaster, the first in the financial Industry
2015	• National Quality Grand Prize as the first such instance in the financial industry
2008	• National Quality Innovation Award as the first such instance in the financial industry
2005	• National Quality Management Award as the first such instance in the financial industry

The number of innovation tasks that DB Insurance carried out from 2004 to 2022 was 2,727 (38 cases in 2022), and the accumulated financial performance achieved through the innovation tasks amounted to KRW 2.1662 trillion (KRW 80.8 billion in 2022). In terms of innovation capability, the GB (Green Belt)[3] certification rate among the employees at the headquarters recorded 59.1% (277 people) in 2022, and of these, the BB (Black Belt)[4] ratio reached 52.1% (161 people). It has been confirmed that the implementation of the innovation task has contributed to the development of employee competency and the creation of a company-wide innovation culture. Based on this innovation capability of DB Insurance, "TM mobile electronic subscription (patent application pending) based on real-time mirroring technology" had the honor of being designated as an innovative financial service by the Financial Services Commission in July 2021.

3) GB (Green Belt) : Beginner grade of the in-house innovation certification
4) BB (Black Belt) : Intermediate grade of the in-house innovation certification

Value Creation through Innovation

DB Insurance has reinforced its asset management capabilities based on the new ALM (Asset Liability Management) and is diversifying the target investments and regions to preemptively respond to the rapidly changing economy. Our assets will be matched to expected cash flows streaming from insurance liabilities to secure abundant reserve sources for insurance payouts and stable interest rate margins in the long-term.

Reinforcing operating system for professional asset managers

In order to improve the operating system for its professional asset managers to boost performance in asset management, DB Insurance picked 13 core competencies and 6 duties necessary to carry out mid- to long-term asset management and have been recruiting new hires, cultivating and managing this workforce in line with those competencies and duties.
We train professional instructors based on education system centered on asset management to cultivate hybrid talent with knowledge in both insurance and investment, and hold research seminars on the investment themes of each field to have new ideas shared. We are also committed to reinforcing investment capabilities in the overseas market through actions such as incorporating subsidiaries in core locations and recruiting human resources. In addition, by resuming training programs at advanced insurance companies and asset management companies overseas that were suspended due to COVID-19, we are providing opportunities to learn investment know-how and nurturing professional experts.

Strengthening adaptability to changes in investment environments

DB insurance has been seeking various countermeasures in preparation for the upcoming new accounting standards (IFRS 17, IFRS 9) and regulatory scheme (K-ICS) effective 2023, which are expected to have significant impacts on the equity and profit/loss volatility of insurance companies.
To strengthen ALM we plan to divide our assets between a "liability-matching asset group" and a "profit-generating asset group", consider the nature of funds when managing these groups, and extend asset duration to align them with the maturities of insurance liabilities on an ongoing basis. Also, we plan to reduce the portion of investment that causes high volatility in profit and losses, such as funds and structured securities, and gradually reduce the portion of high-risk marketable assets in stages. In addition, in preparation for a decline in the rate of return on investment, we plan to implement trading by rebalancing the portfolio into assets with high risk capital efficiency, such as high-quality domestic and foreign alternative investments and high-efficiency equity.

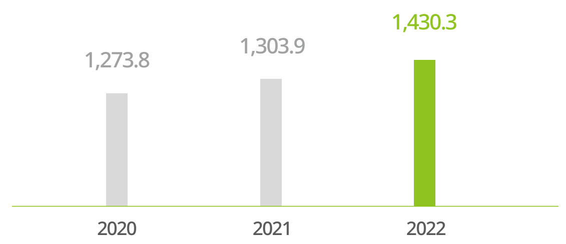
Maintaining competitive advantages in ROI

DB Insurance is strengthening ALM-based asset management through our efforts, such as maintaining a ratio of more than 90% of interest-bearing assets with stable income and creating additional profit by taking advantage of market opportunities, including stock management. By doing so, we managed to reach KRW 1,430.3 billion in profit and 3.54% ROI in 2022.

Global network expansion

To further strengthen our strategic alliances with leading insurers and operators around the world, we have signed an MOU with the top insurer in North America and are promoting joint investments in the global real estate market, infrastructure assets, and overseas corporate bonds. Consequently, we are not only expanding our presence in overseas investment sourcing channels, but are also accumulating invaluable know-how.
We have established an office in Manhattan, New York, and improved accessibility to investment trends by providing outstanding investment information based on a network with local financial companies. Furthermore, we are improving our pre- and post-investment due diligence process in the Americas through our New York investment subsidiary, while strengthening post-management of existing investment asset and exploring high quality assets and management companies. Going forward, we will continue to establish overseas bases to strengthen our global network and access to investment assets.

Asset Management Performance (Unit : KRW billion)



Digital Innovation

The recent digital transformation based on Big Data, blockchain technology, cloud computing, AI, and IoT is bringing vast changes in the insurance industry. These changes are expected to trigger consumer-oriented innovations across the insurance value chain. Therefore, it is deemed necessary to take preemptive responses to vitalize InsureTech technologies in a variety of areas, including insurance product and service development, sales, and insurance payment.
DB Insurance envisions a digital transformation, and based on its mid- to long-term roadmap, it aims to take the lead in the data-based financial innovation of the domestic insurance industry. To achieve our goals, we continue to strengthen our competitiveness in the digital-based value chain and discover new business opportunities, focusing on 5 key areas, including customers, channels, products, processes, and organizational culture.

Digital Transformation Vision

DB Insurance aims to make the transition to "Digital Insurance" with the combination of InsurTech technology and our business activities under vision of "Korea's No.1 Digital Insurer". We have established the Digital 4C (Customer centric, Innovative Corporate, Connected Ecosystem, Sustainable Creativity) Drivers and based on this, promoted digital transformation in the key areas of customers, channels, products, processes, and organizational culture. Specifically, we will strive to grow into a leading digital insurer by discovering new products and services that use InsurTech's new technology and bringing digital efficiency to all of our business areas.

KOREA'S NO.1 INSURER

Innovation Through Digital

Digital Drivers - 4C

Customer Centric	Innovative Corporate	Connected Ecosystem	Sustainable Creativity
Innovation of hyper-personalized customer experiences through Data Insights	Strengthening competitiveness through internalization of the digital innovation process	Evolve into an open platform with digital channels and connectivity	Digital organizational culture that explores New Biz opportunities

Customer	Channel	Products	Process	Organizational Culture
· Customer analysis using Data Analytics · Differentiated digital-based customer experience	· Integrated management of Customer experience information from an Omni Channel perspective · Advancement of digital sales support system	· Development of AI-based products · Development of personalized products and services based on digital technology	· AI-based process automation including subscription, review and insurance payment · Reinforcement of the AI-based Data Collection System	· Operation of an organization that collaborates with digital, IT, and Biz · Digital DNA internalization · Operation of the digital organization by cell unit

Key Areas of Digital Transformation

Mid-to long-term Roadmap of Digital Transformation

By establishing a mid- to long-term roadmap for 2025 and beyond, we have implemented a well-designed InsureTech innovation strategy. In the first stage, we have placed great emphasis on strengthening our competitiveness in the digital based value chain by 2022 to carry out tasks related to AI, Big Data, and open innovation. Then, in the second stage ending in 2024, we are focusing on developing and expanding new digital finance business items that can digitalize the existing insurance business, particularly in the fields of data and healthcare with the goal of 'strengthening digital finance business'. From 2025 onward in the third stage, we plan to build a "DB Digital Comprehensive Platform" under which customers can experience enhanced convenience with one-stop services in such business areas as insurance, investment, healthcare, and non-financial business.

Stage 3

Expand into disruptive digital business & convert platform
(digital finance + non-financial service)

Financial + Technology

Insurance
- Non-life insurance • Life insurance • Health insurance • Auto insurance

Banking
- Individuals • Small businesses • Corporations

Asset Management
- Financial lease asset management • Investment trust • Securities

Financial + Ecosystem

Financial Service
- Asset management platform • Loan management • Payment

Health-Care Service
- Healthcare platform • Offline medical treatment
- Unmanned AL-based medical treatment

Auto Service
- Car purchase management platform(new and used cars)
- Rental, Auctions • Auto loans

Real Estate Service
- Real estate insurance management • Real estate leases
- Real Estate investment/Asset management

Smart City Service
- Smart City Insurance • Smart City Heathcare
- Smart City medical treatment

Digital Technology empowerment

Biometrics	• Face, Voice • Micro-Bio
Big Data	• Financial/Wellness/Health Data Platform
AI(Robot)	• AI platform • NLP, computer vision
Cloud	• Finance Cloud • Health Cloud
Open Innovation	• Open platform • Digital Office

Stage 2

Focus on digital finance business

Biz + Digital
- Digital insurers • Data-driven business • Digital Healthcare
- Open innovation : Fintech investment, In-house ventures, AI R&D, Building Big Data center

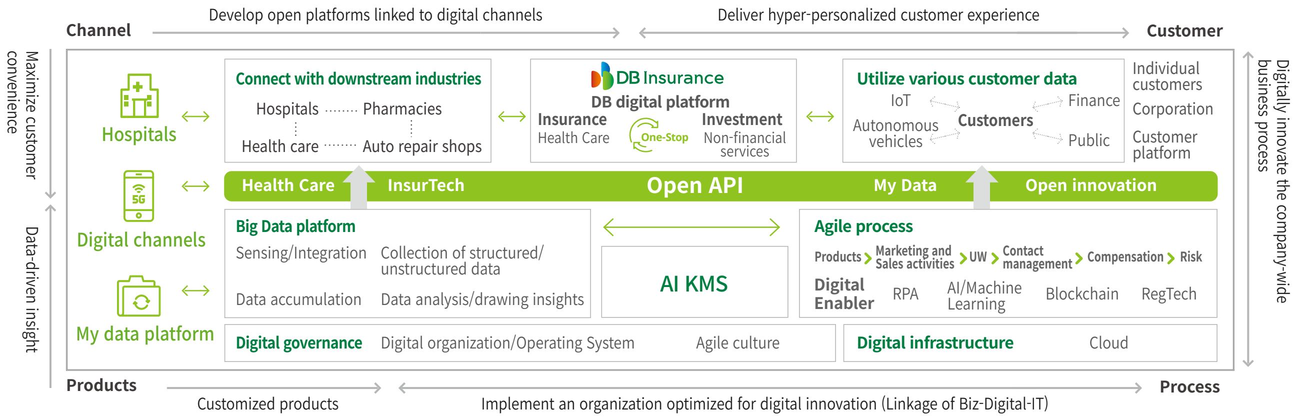
Stage 1

Strengthen value chain competitiveness

Process + Digital
- Realize higher efficiency capitalizing on Big Data
- Promote business automation and eliminate simple, repetitive tasks by implementing AI
- Expand open API-based partnership business
- Build an internal and external data platform

Digital Innovation 2025

DB Insurance will create opportunities to create new value by systematically tapping into digital technologies through digital transformation with a view to bringing competitiveness into the value chain and discovering business areas that can be linked with downstream industries.



Operating digital consensus programs

DB Insurance has established and provides an in-house consensus-building program that consists of various contents in line with digital trends, technological changes and corresponding examples. Through Dream Big Leader, we are spreading digital technology and contents that can be helpful for each work site, while delivering a wide variety of digital-related news to all employees via weekly and monthly InsurTech newsletters and the Dream Big Times. Leveraging our in-house broadcasting system 'The Promy broadcast', we have also been raising the digital awareness of our employees and their digital competencies. All in all, employing these various attempts to build a digital consensus across the company, we are anticipating gradual digital transformation in our workplaces.

Digital Affinity Contents

Being in tune with with domestic and global digital trends (digital industry and InsureTech trends)	Understanding digital technology knowledge (expertise in new technologies such as Machine learning, AI, RPA)	Appreciating practical cases of digital application (introduce DB Insurance and competitors' cases)

Channels to stay in tune

1	2	3	4
Dream Big Leader propagation	Dream Big Times	The Promy broadcast	InsureTech newsletter

Nurturing InsureTech experts

To make timely responses to the changes in the insurance market driven by information and communication technology (ICT) developments, we are spreading digital culture as well as investing in nurturing InsurTech professionals capable of managing the digital transformation project. Regarding this matter, our digital talent training system has been a great help in strengthening employees' digital innovation capabilities and creative, logical problem-solving skills.

Training system and direction

Operate various programs by competency level, from training InsureTech professionals to expanding our digital base

Digital manpower training system

• Fluency • Business • Problem Solving	InsureTech Professionals	• Digital Instructor Course • Attend domestic and global conferences • Digital Mentoring
	Intensive training targets	• AI Platform Expert Course • Data Expert Course • External Advanced Courses
• Literacy • Tech • Talent	Training candidates / expand company-wide InsureTech base	• Digital Literacy course • InsureTech Academy

Nurture InsureTech collaborative professionals
(Company-wide mentor program)

- Reinforce professional competencies of dedicated personnel
- Increase training entrusted to outside specialized agencies

Promote intensive training to nurture data analysis experts

- Operate the "Data Expert" course in Dream Big Business School

Operate a training course on digital base expansion

- Add a "Digital Literacy" course to the common competency courses, making digital technology a common competency
- Nurture digital in-house professional instructors: Cultivate/ disseminate company-wide digital innovation mindsets

Business automation through RPA adoption

DB Insurance not only improves the company's productivity by building a Robotic Process Automation (RPA) system, but also supports employees so they can focus on high-value-added tasks by getting away from simple repetitive tasks. As far as the system is concerned, the company focused on the automation of 71 simple and repetitive tasks such as document preparation, computer input, external data collection, document inspection, and monitoring. It is estimated that the company saved a total of 40,000 working hours per year and financial performance of over KRW 1.9 billion through the system.

Financial performance	Cost reduction	• Project cost reduced by over 40,000 hours per year through automation • KRW 100 million or more saved in system construction due to RPA
	Value creation	• Direct financial performance worth over KRW 1.8 billion from productivity improvement
Shortening of lead times		• Increased processing speed and throughput
Improvement in work accuracy		• Accurate work results by elimination of human errors such as calculation mistakes
Increased employee productivity		• More time for employees to focus on important tasks rather than simple and repetitive tasks
Enhancement of regulatory responses		• Strengthened security and personal information protection as automated tasks will be performed in accordance with the rules • Monitoring possible as all implementation details are stored in the form of Process Digital

In addition, we presented a new performance paradigm that added system replacement and new value creation to reduced work hours, which was the existing RPA performance standard. By replacing the essential system with RPA, the construction cost was reduced by more than KRW 100 million. Tasks that had not been attempted before were performed with RPA, creating new value of minimum KRW 1.8 billion.

As-Is Measures only work time savings through replacement of existing work

Time

To-Be System substitution and new value creation considered in addition

Time +
Alternative system building through RPA (reduction of required system construction cost)
New business opportunities through RPA (performing tasks that have not been done before)

Diagnosing company-wide digital level and task creation

DB Insurance carried out a company-wide digital level diagnosis for each value chain for the purpose of preparing innovative improvement plans leveraging new digital technologies. An analysis of more than 70 domestic and overseas advanced cases was carried out to make a comparison on technology applicability for each process unit. Based on these results, a list of key tasks that need to be executed for the respective value chain was identified, covering everything from marketing activities to product, underwriting, compensation, customer service, and assistance operation. In the future, we aim to establish ourselves as "Korea's No. 1 Digital Insurance Company" by increasing the digital transformation rate of each business while maximizing sales growth and work efficiency.

Enhancing efficiency of AI-based operations

DB Insurance has adopted machine learning-based data analysis and estimation modeling across our business operations to enhance efficiency throughout the value chain. The company has refined our contract review systems for the auto insurance and general insurance, including the long-term insurance's disease review automation system that learns the results of past disease reviews.The company has also built a machine learning-based standard calculation system for personal compensation based on analyses on types and patterns of compensation data over the past five years. Through this system, it has become possible to derive reasonable compensation settlement amounts, as these were previously determined based on the subjective judgment of each employee. The additional revenue we expect through this measurement system is approximately KRW 20.6 billion per year.

Launching 2nd phase of smart contact center

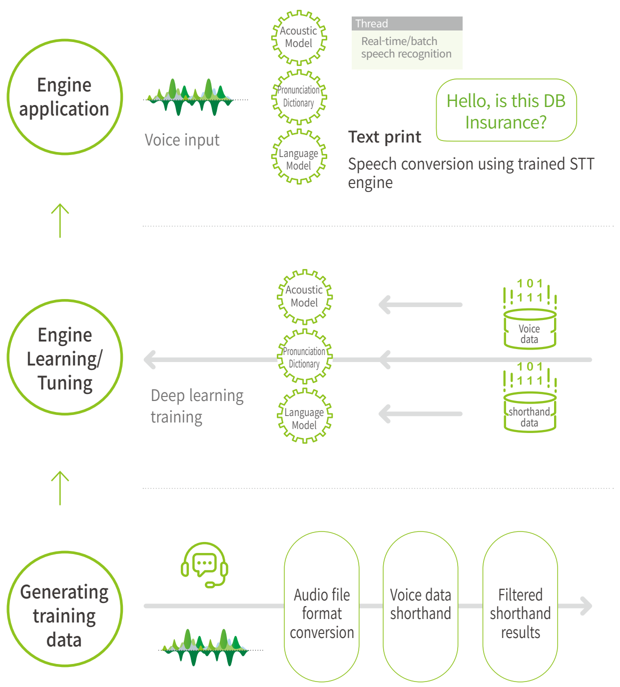
A system in which AI-based Robotellers handle complete sales monitoring, confirming whether customers have been given full explanations about products and received key documents when signing an insurance contract, has been operating since 2021. Currently, about 4,000 cases are being digested by the Robotellers per day. In addition, inspecting whether incomplete sales were made by listening to each voice contract signed by telemarketers, AI reduced the review time of telemarketers, which previously took an average of 40 minutes per voice recording, to about 2–3 minutes, leading to a great improvement in employee's convenience and customer satisfaction. Furthermore, in 2022, the second phase of the project was implemented by realizing a system which can quickly identify potential moral risks and VOCs through AI analysis of recorded calls made by compensation managers and planners with customers.

AI ChatBot service

Starting with the industry's first rule-based ChatBot in 2016, we upgraded the service to an AI-based ChatBot service capable of processing natural language (NLP) in January 2021. Starting with the deployment of employee chatbots in five tasks in 2021, the company added three more fields in 2022, providing a service that answers eight business-related questions. AI-based ChatBots exist in two service types : "Promy ChatBot", the previous consultation service, and "Direct ChatBot", which has been added for direct marketing activities. Through natural language recognition, the "Promy ChatBot" identifies and answers the intent of the customer's inquiry and relays the questions outside its scope to the human chat counselor.

Establishment of a STT (Speech-To-Text) System

STT is a technology that converts human speech into text, which requires both high processing speed and accuracy. If either of these criteria is not met, smooth service is not possible. Our STT system consists of an AI-based conversion system capable of high processing speeds (converting 1,000 characters per minute) with an accuracy of more than 80%.



Systematized decision-making process based on Big Data

DB Insurance is currently in the process of implementing a variety of tasks based on the mid- to long-term Big Data roadmap by using new analysis technologies such as machine learning. Following the accumulation of practical experience in Big Data analysis through pilot tasks in 2017, a variety of tasks aiming for business improvement were carried out in 2018. In 2019, we reinforced the company-wide processes for big data project selection, promotion, and management to build a Big Data platform in 2020. Since 2021, we have been taking on the Big Data project as a company-level innovation task. As part of the effort, we have been nurturing analytical specialists to facilitate a prompt and accurate decision making process throughout the company.

Upgraded coverage analysis by customer type with personalized analysis

In insurance, coverage analysis is a system that analyzes whether insurance premium rates are appropriate and whether the scope of coverage is sufficient for the customer in cases where the customer already holds an insurance product. The system will recommend customers sign up for additional coverage if not fully covered by the existing insurance. For general insurers, they do not identify individual tendencies and attributes when performing their insurance analysis; they tend to only consult on the shortcomings at a flat or average amount. In contrast, our upgraded coverage analysis system offers differentiated coverage scope for each customer based on the customer's gender, age, visa status, marital status, job code, injury rate, and estimated income. Since upgrading, the number of coverage analyses has increased by more than 25% per month.

Development of credit loan recommendation model targeting potential customers

We have developed a model that captures potential customers likely to need credit loans by analyzing relevant attributes, including the customer's estimated income, renewed insurance premiums, basic insurance premiums, and credit loans usage records based on a recommendation algorithm of machine learning techniques. Capitalizing on this credit loan recommendation model, in 2021, the average response rate increased by 1.6–1.8 times compared to general customers not included in the analysis, leading to enhanced productivity in our sales activities.

Promotion of Open Innovation[1)]

DB Insurance has been promoting open innovation since 2019 in order to secure InsurTech competency in line with the speed of digital technology development. Through partnerships and joint projects with public institutions that support startups, the company discovers and nurtures startups. Through this, we are pioneering new markets by developing new products and partnering with innovative startups based on new platforms, and then we are realizing the improvement of customer satisfaction and employee productivity improvement by introducing innovative services and verifying and introducing new technologies. Moving forward, we plan to develop and provide more diverse InsurTech products and services through closer collaboration with innovative startups in various areas of the insurance business.

1) Open Innovation : An innovation method that innovates business and solves internal problems by adopting necessary innovative technologies and ideas while disclosing and sharing internal resources externally

Establishment of a Distinctive Open Innovation Ecosystem

DB Insurance contributed to the establishment of a differentiated open innovation ecosystem by discovering and nurturing startups through strategic collaboration with 8 public institutions and 2 private enterprise that nurture startups based on government policies, and securing a network of venture capital-focused investment institutions that support the necessary funds for startup growth. Our strategic operations are classified by the type of collaboration into program type[2)] centered on accelerating, exploration type[3)] centered on business meetup, and problemsolving type[4)] for solving internal issues.

2) Program type: nurture a company for a set period and promote commercialization
3) Exploration type: search and discover innovative companies that meet internal needs
4) Problem-solving type: use innovative technology to solve internal unresolved issues

Category	Educational institutions
Nurturing startups through programs	Korea Internet & Security Agency (KISA)
	KSA
Discovering startups through exploration	Seoul Fintech Lab
	Seoul Center for Creative Economy & Innovation
	Gyeonggi Center for Creative Economy & Innovation
	D-Camp
	KB Card
	Korea Investment Accelerator
Collaboration through problemsolving	AI Hub Yangjae
	Daegu Center for Creative Economy & Innovation

Investment Network		
DB Financial Investment	Logan Ventures	Korea Credit Guaran
IP Ventures	ROI Inverstment Partners	Shinhan Venture Investment
LB Investment	Lotte Ventures	Wonik Investment Partners
SB Investment	Bokwang Investment	Welcome Ventures
Nanuhm Angels Investment	Softbank Ventures	Union Investment Partners
D.Lab Ventures	Smilegate	Intops Investment
Dt& Investment	StoneBridge Ventures Inc	Cube Venture Partners

Discovering and accelerating innovative startups

To revitalize Insurtech, DB Insurance started supporting 15 startups by operating the "Insurtech Startup Incubation Program" in 2020 together with KISA. In 2022, the company recruited 410 innovative startups through various methods, including open stage, and held business meet-ups with 81 companies.

Category	Discovery/Nurturing	Commercialization
InsurTech Startup Nurturing Program	Nurturing 15 startups	Applied to 8 companies
Startup Discovery (through open stage etc.)	Meetups with 81 companies	Applied to 10 companies

Performance in open innovation operation

DB Insurance is creating meaningful results in key areas of the value-chain, such as discovering new platform-based channels, launching new products for new markets and introducing innovative services through its open innovation projects.

Category	Operational Performance
Product	• Launched exclusive pet shop insurance • Launched small and medium-sized parking lot liability insurance
Marketing	• Applied PA claim agency service • Applied AI-based PA education management service • Applied vascular care service • AI TTV[5)] Automatic production of PoC of training video • Healthcare-based customer health promotion event • Platform partnership: Drive training matching, mobility investment contents, electric vehicle charging, vehicle management during inspection of apartment, fast charging EV stations for two-wheeled vehicle delivery, van sharing
Compensation	• Applied parts verification solution for foreign car damage adjustment
Contract	• Applied AI OCR automatic settlement of special mileage agreement

5) TTV (Text to Video) : technology that converts text into video

Strengthening Global Business

US

DB Insurance has been steadily expanding its business in the US market through various product sales, including house fire insurance, car insurance, and package insurances (property and compensation) for individuals and corporations. In particular, our Overseas Business Group directly expanded into the US market by building a presence in California in 2021. We plan to train local experts, improve work efficiency, and expand target sales regions, capitalizing on our integrated operating system and quick decision-making process to secure a competitive advantage in the US market.

Status and plans for our presence in the US market

We are stepping up our efforts to build a sustainable business presence in the US. In 2022, we acquired business licenses in three US states and continued to explore new business opportunities, mainly in areas where we obtained or were going to obtain business licenses such as Massachusetts. Considering their different business environments and applicable regulations, we plan to differentiate the composition of product and operation plans, tailoring them to each region for stable business expansion.

2020 DB Insurance started business in Ohio (2018), Indiana (2019), Texas (2020), and Pennsylvania (2020)

2021 Applied for a business license in the states close to California and New York and those where we would possibly start business (approximately 8 states)

2022 Business license acquired in Arizona, Georgia, and Alaska License acquisition in progress in 5 states including Massachusetts

Hawaii

Our Hawaii branch, which is locally recognized as the prominent insurer for demonstrating incomparable product competitiveness and providing prompt customer service, is continuing stable growth based on profitability through close ties with major channels in the market. The branch is expanding its market dominance by continuously improving customer service, and is also actively exploring new markets to secure sustainable growth engines.

Guam

The Guam branch, established in 1984, handles not only household insurance such as auto and home fire insurance, but also large lodging facilities such as condos and hotels and large-scale commercial property insurance such as shopping centers based on longstanding partnership with local agencies, providing prompt customer service. The branch has grown into the most trusted leading insurance company in Guam, including neighboring islands such as Saipan.

California

By running program business through large MGA[1] and direct sales through local agencies at the same time, the California branch is stably expanding top-line and profitability based on various channels. The company is expaning the basis for its overseas business growth by continuously discovering businesses, such as entering the California home insurance market in 2020, commercial vehicle business in Texas in 2021, and general insurance in Arizona in 2023.

1) MGA : Managing General Agent

New York

To secure business stability, the New York branch actively promoted diversification in sales channels and product portfolios. Following the launch of package products that render property and liability insurances for SMEs and comprehensive housing insurances for individual customers, it successfully entered the commercial car insurance market and secured a stable growth engine. In order to land active overseas investment opportunities and preemptively manage existing assets, the 2020 DB Advisory America, Ltd. was established and officially registered as an investment advisory firm with the US SEC and the Korea Financial Supervisory Service in 2021. It seeks to increase the profitability of the head office and branches in North America, and improve the efficiency and sophistication of asset management.

US branches[2]

Category	Unit	Guam	Hawaii	California	New York	Support for North America	Strategy for North America
Total number of support staff (Number of local employees)	Person	6(3)	18(15)	12(10)	10(8)	27(21)	13(8)
Volume	million USD	51.8	93.0	137.3	61.8	-	-

2) As of the end of 2022, based on the overseas branch performance report issued by the Financial Supervisory Service

Asia

Based on close cooperation with our subsidiaries in China and Vietnam, we are sharing our business know-how and corporate culture to develop competitive advantages in the local market, thus laying the foundation for sustainable growth.

Details of business promotion in China and Vietnam

	China	Vietnam
2022	• Reinforcing non-auto insurance U/W and project cost management • Reinforcing auto insurance U/W and compensation capabilities	
2021	• Establishment of non-auto insurance sales team • Reinforcing CM channel sales • Reinforcing auto insurance U/W and compensation capabilities	• Established the insurance risk management system • Established the sales training system • Improved the project cost management structure
2020	• Improved rofitability by increasing efficiency • Reorganized the organization into a profit-oriented business structure	• Established ISP strategy framework and reinforced risk management of reinsurance • Reinforced insurance risk management and established a sales support system
2019	• Enhanced sales power of personal agency channels and established CM business model	• Established investment risk management system
2018	• Reinforced competitiveness of general insurance and stabilized dedicated channels	NEW • Upgraded bancassurance Channel management system - Enhanced competitiveness in TM business - Upgraded car compensation operating system - Enhanced competitiveness in medicine reinsurance special policy
2017	• Built a dedicated sales channel	
2016	• Established a sales channel strategy	
2015	• Established a TM channel	
2014	• Improved insurance compensation system	

China

Considering uncertainties of the Chinese market and high entry barriers in the early stages of the market entry, DB Insurance took the safe approach of share acquisition and joint ventures with local partners, rather than an independent expansion strategy. After establishing the first presence in China through the Beijing office in 2006, DB Insurance gradually expanded into the Chinese market through the acquisition of shares in a local insurance broker in Qingdao in 2011 and shares in a local primary insurance company in 2013. In particular, our insurance business in China is jointly promoted together with a local primary insurer with sales rights in all regions of China, and we also participate in the local primary insurer's business management. With these efforts, we are steadily solidifying our market dominance in China by securing local business capabilities.

Vietnam

DB Insurance is making various efforts from diverse perspectives to become a market leader in Vietnam. With the acquisition of Vietnam Post & Telecommunication Insurance (PTI) in 2015, we established a local business presence and have been providing services differentiated from local ones, such as joint promotions of Korean-type bancassurance products for the first time in Vietnam. We will reinforce internal capabilities and cooperate with local partners to solidify our business position on the Indochinese Peninsula.

Financial Performance

As the uncertainties in the global financial markets continue, the profitability of the domestic insurance market is severely deteriorating due to increasing loss ratio and business costs. Despite such difficult circumstances, on a non-consolidated basis in 2022, DB Insurance successfully recorded KRW 16.0415 trillion for direct premiums, up 6.4% from the previous year, and a net income of KRW 980.6 billion, up 26.2% from the previous year. Going forward, we will continue to secure stable financial capabilities by proactively responding to environmental changes and continuing ongoing business innovation activities.

Condensed Income Statement (standalone)

Category	Unit	2020	2021	Change	G/R(%)
Direct written premium	KRW million	15,074,668	16,041,540	966,872	6.4
Retained premium	KRW million	13,977,657	14,787,388	809,731	5.8
Accrued premium	KRW million	13,772,285	14,624,740	852,455	6.2
Loss	KRW million	11,304,383	11,703,988	399,605	3.5
(Loss rate)	%	82.1	80.0	(2.1)	
Net operating expenses	KRW million	2,706,143	3,040,135	333,992	12.2
(Expense rate)	%	19.6	20.8	1.2	
Operating profit (insurance)	KRW million	(238,240)	(119,384)	118,856	(49.9)
Operating profit (investment)	KRW million	1,303,940	1,430,455	126,515	9.7
Total operating profit	KRW million	1,065,700	1,311,072	245,372	23.0
Non-operating/special profit and loss	KRW million	(1,081)	(15,398)	(14,317)	(1,324.4)
Net income	KRW million	776,879	980,573	203,694	26.2
(Profit rate)	%	7.7	6.7	1.1	

Condensed Balance Sheet (standalone)

Category	Unit	2020	2021	Change	G/R(%)
AUM	KRW million	41,649,515	40,517,967	(1,131,547)	(2.7)
(AUM rate)	%	81.4	80.4	(1.0)	
Non-AUM	KRW million	3,822,165	4,871,082	1,048,917	27.4
Special account assets	KRW million	5,716,368	5,006,572	(709,796)	(12.4)
Total debt	KRW million	44,939,395	45,345,416	406,021	0.9
Capital	KRW million	35,400	35,400	0	0.0
Total capital	KRW million	6,248,653	5,050,205	(1,196,448)	(19.2)
Total assets	KRW million	51,188,048	50,395,621	(696,851)	(1.4)

Tax policy

DB Insurance strictly complies with tax laws and regulations not only in Korea but in all countries where we conduct business operations, and is committed to fulfilling its various obligations including that of tax payment. We manage tax-related risks by establishing globally applicable tax standards, principles, and policies for our domestic and overseas business operations. In addition, through the electronic disclosure system (dart.fss.or.kr), we conduct external audits based on international accounting standards at the end of every quarter. Relevant information and corporate tax-related matters, including corporate income tax, deferred tax, and effective tax rate, are highlighted and indicated in our financial statements and disclosed publicly.

Corporate Tax Rates

Category	Unit	2019	2020	2021
Income before tax	KRW million	1,064,618	1,295,673	231,055
Statutory tax	KRW million	287,740	135,554	- 152,186
Statutory tax rate	%	27.03	10.46	- 16.57
Amount of tax paid	KRW million	251,974	132,441	- 119,533
Tax rate applied	%	23.67	10.22	- 13.45

Corporate Tax Payments

Category	Unit	Direct premium written	Net income before tax	Tax paid	Domestic tax reduction due to overseas tax payments (KRW)
Domestic	KRW million	15,580,763	1,260,124	130,630	-
Overseas	KRW million	460,777	35,549	1,811	3,112,819,616
U.S. Branch	KRW million	389,998	23,838	714	1,263,643,543
Guam	KRW million	70,779	11,711	1,097	1,849,176,073

Economic Performance Distribution

We not only promote sustainable growth through economic performance, but also strive to fulfill our corporate social responsibility by distributing economic gains to our stakeholders, including customers, partners, shareholders, employees, and local communities.

Partner	Executives and employees	Shareholder	Customer	Local community	
Agency sales commission	Personnel expenses	Dividend payments	Insurance payments	Amount of social contribution	Hours spent on social contribution activities (executives, employees, insurance planners)
KRW 617.9 billion	KRW 412.1 billion	KRW 276.2 billion	KRW 7.6341 trillion	KRW 8.317 billion	52,862 hours

PERFORMANCE

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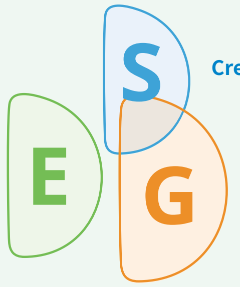
ESG Implementation Strategy

DB Insurance intends to become a 'global insurance group which pursues a happy society with customers.' and has implemented a mid- to long-term roadmap with the goal of establishing an ESG management system designed to build a sustainable society. Our ESG management aims to grow in the directions of establishing a company-wide environmental management system (E), creating social values for stakeholders (S), and building a global-standard governance system (G). Accordingly, we are carrying out detailed strategies that align with this roadmap.

VISION — **A global insurance group which pursues a happy society with customers**

GOAL — **Esg management system designed to build a sustainable society**

DIRECTIONS



Creating social values for stakeholders

Company-wide environmental management system

Global-standard governance

STRATEGY

01 Expansion of asset management in green finance / environmental industry

02 Improving products / services in consideration of the environment

03 Fulfilling social responsibilities related to the main business

04 Promoting stakeholder communication

05 Enhancing the transparency and independence of the BOD

06 Integrated ESG management system

Mid- to long-term ESG Management Roadmap

STAGE 1

Foundation for company-wide ESG management

- Analyze major domestic and overseas issues and trends
- Carry out short-term improvement tasks

→

STAGE 2

Advanced stakeholder-oriented ESG management

- Make timely responses to ESG regulation/policy trends
- Promote ESG achievements centered on stakeholder communication

→

STAGE 3

Differentiated ESG management system

- Increase corporate value by internalizing ESG management activities

DB Insurance's Value Creation Activities and Performance for Customers

DB Insurance considers "customer value creation" as its top priority, and is doing its best to provide products and services that can relieve anxiety about the future for the customers who make use of its financial products and services. The company analyzes all management activities from the customer's point of view, organizes them around the customer, and strives to improve customer value through continuous improvement.

Customers Communication Channels | Consumer evaluation group, Customer VOC, Know your customers

- External customer satisfaction surveys (KCSI, KS-SQI, NCSI)
- DB Insurance's customer satisfaction survey (DCSI)

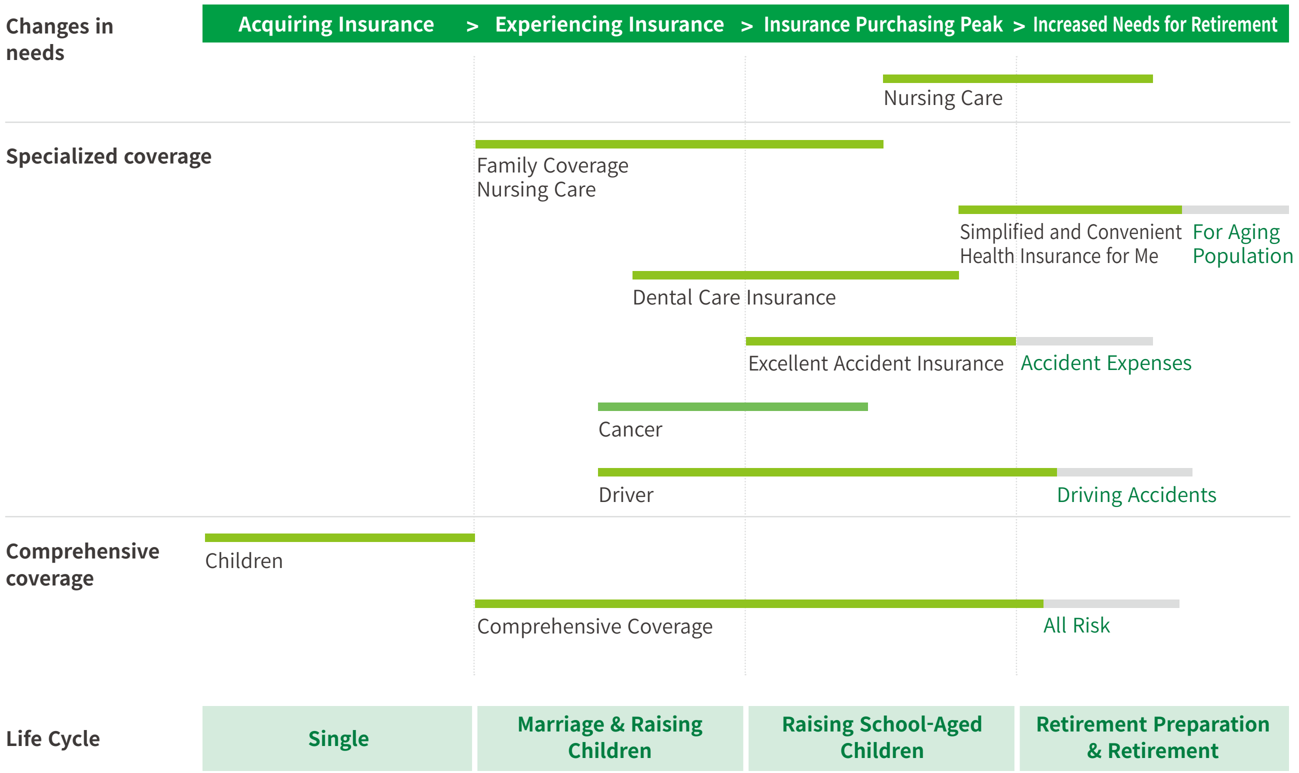
2022 KEY FIGURES

Customer Acceptance Rate	Complete Sale Ratio	Response to VOC within 1 Hour
69.3%	99.9%	81.7%

Development of Customized Products

DB insurance strives to provide products and services optimized to our customers by leveraging Big Data analysis and research. By setting an integrated customer experience monitoring system and customer value evaluation model, we promptly identify the rapidly changing needs of our customers while continuously monitoring changes in demographic changes and market economy trends. In addition, we are further strengthening our customer-centered product portfolio by offering tailored products considering their insurance subscription period and life cycle and launching specialized products for each coverage area.

Product Matching According to the Customer Life Cycle



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New Technology and IT Infrastructure	Competition	Customer	Regulation and Policies
• Identifying new sales channels through IT technology • Accumulating and sharing customer data (Big Data), and strengthening analyses • Intensifying competition among similar financial products due to increased capacity to collect customer data	• Increased market entry by various types of new competitor • Intensifying competition within the industry for the same customer base	• Complex/diversified customer needs • Increased needs for personalized products and services • Increased customer needs for one-stop shopping	• Abolishment of life/non-life insurance barriers and permission for cross recruitment • Proliferation of overall competition among financial industry sectors due to deregulation for economic revitalization

↓

Analysis of changes in the external environment, and provision of differentiated customer value based on customer needs

Product and Service Development

DB insurance is flexibly responding to internal and external environmental changes that can cause a significant impact on product composition, based on a systematic process for product and service development. In particular, the Product Development Deliberation Committee and Strategy Council analyze the social and environmental effects of new long term insurance and car insurance products to create values that meet the interests of various stakeholders.

Product Development Process

Establish a product management strategy	Establish a product management strategy by customer, channel, and product group
Product planning and opinion gathering	Verify the validity of product planning (market needs, competitiveness, etc.)
Finalize product development plan/ obtain product approval	Strength risk verification and systems
Prepare for sale/ commence sales	Operate a company-wide support system (products, marketing, training)
Post-evaluation	Conduct periodic monitoring and analyze profitability gap for timely feedback

Strengthening competitiveness through products granting the exclusive right of use[1)]

Through diversifying our products considering customer needs and social and environmental changes, we aim to present special values to our customers and strive to strengthen our business competitiveness.
Thanks to our efforts, we acquired exclusive rights to use the designations of “Very Good Total Insurance” and “Very Good Motorcycle Driver Insurance” in 2017, “Very Good Driver Insurance” in 2018, “Excellent Happy Plus Total Insurance” in 2019, “Risk Rate of Traffic Accidents Aids in less than 6 weeks” and “2 types of Risk Rates other than Diagnostic test cost for Major Cardiac Inflammatory Diseases” in 2020, “Risk rate other than Pressure Ulcer Diagnostic test cost” in 2021, and then in 2022, five types of products including “Simple and Easy Health Insurance for Me” and “Risk Rate for Attorney Retention Fee Including Services for Police Investigation”.
As a result, we gained public recognition for demonstrating excellence in product development, and successfully acquired a total of 28 exclusive right licenses, breaking the industry record for the largest number of license acquisitions.

1) Exclusive right of use : A scheme under which the General Insurance Association of Korea, after going through a review process, grants exclusive rights to an insurance company to use a certain product for a period of up to one year if the company has developed a creative product

Acquisition of Exclusive Right to Use “Simple and Easy Health Insurance for Me,” a New Product Commemorating Our 60th Anniversary

DB Insurance acquired the exclusive right to use the “5 Types of Integrated and Simple Notification Structure” and the “No Accident Contract Conversion System” installed in the “Simple and Easy Health Insurance for Me” launched in 2022 for 6 months from the General Insurance Association of Korea.
The “5 Types of Integrated and Simple Notification Structure” suggests reasonable insurance premiums tailored to the customer’s hospitalization and surgery history from 1 to 5 years, and also reduces the time required for subscription by integrating five questionnaires into one product. In addition, through the “No Accident Contract Conversion System,” if the customer has no additional hospitalization or surgery history after signing up, the contract can be converted to a lower insurance premium according to the customer’s application.
“Simple and Easy Health Insurance for Me” was evaluated as being able to provide reasonable insurance premiums and various coverage benefits to senior citizens and customers with medical conditions, and able to minimize gaps in customer coverage, thus being granted to us for exclusive use.
DB Insurance will continue to lead the industry by developing products that reflect consumer needs in a timely manner in line with trends.

Consumer-centered Management

DB Insurance has established and implemented a consumer- centered management strategy to provide products and services from the customer's perspective. We have implemented a channel to collect various opinions from consumers, and based on the consumer protection system, we protect the rights and interests of consumers at all stages, including sales and compensation.

Consumer Rights Protection Committee

The Consumer Rights Protection Committee meets every week to assist the company in making objective and reasonable decisions in handling customer disputes and complaints. As a total of 6,174 consumer disputes and complaints were reviewed by the Committee in 2022, achieving a customer acceptance rate of 69.3%. Additionally, disputes resulting from breach of duty of disclosure are reviewed at the Committee on a regular basis in the presence of medical professionals.

Consumer protection and service management system

In order to practice consumer-centered management, DB Insurance appointed a Chief Consumer Officer (CCO) directly under the CEO and placed an organization under the control of the CCO. The CCO and the organization are granted the authority to screen factors that may deteriorate customer satisfaction in the early planning stages of marketing, and request suspension of new product launches, marketing activities or improvement in case abnormal signs are identified.
In addition, the Consumer Policy Committee, composed of the CCO and executives, reviews consumer-related indicators, including complaints, the sales completion rate and VOC (voice of the customer) every month. DB Insurance deliberates on major consumer-related policies independently and promptly and seeks to upgrade relevant systems, to actively improve the consumer experience.

Consumer-centered management strategy

Establishing a preemptive control system for incomplete sales • Sophisticated operation of complete sales monitoring • Reinforcement of on-site inspection activities for complete sales • Improved monitoring on call quality of TM contracts • AI-based complete sales monitoring system • AI-based call quality monitoring system	**Securing a competitive advantage in MOT service in MOT service** • Differentiate monitoring activities for service quality • Expand and strengthen consumer participating activities • Constantly improve quality of customer guide material • Operate integrated CS monitoring system • Operate customer guide material review system
Utilization rate of e-monitoring on complete sales	**Adoption rate of proposals offered by the consumer on a satisfactory level of CS Monitoring**
VOC recurrence rate during complaint handling period	**CCM campaign participation rate**
Advancement of customer complaint handling capacity • Operate Consumer Protection Office • Preemptively reinforce activities to prevent complaints • Operate review system led by Consumer Rights Protection Committee • Operate complaint/VOC response system	**Spreading consumer-centered corporate corporate culture** • Enhance employees' and sales workforce's CS competencies • Build a consensus on the importance of consumer protection across the company • Refine CS evaluation system and improve feedback function • Operate Promy Campus On-Line CS Learning System • Operate CCM evaluation computerized inquiry system

Consumer-centered management ↓ Enhanced performance management

Accelerating consumer-Centered management by upgrading the company's Consumer protection system

Build a Preemptive Incomplete Sales Control System

Roadmap for Complete Sales

1. Introduction (2007~2011)
- Create a complete sales organization
- Establish a monitoring process
- Revise sanction criteria for incomplete sales

2. Expansion (2011~2013)
- Expand year-round inspections by the General Insurance Association of Korea (GIAK)
- Strengthen sanction criteria for incomplete sales
- Reflect incomplete sales ratio (on-site inspection) in sales managers' MBO

Build a preemptive incomplete sales control system

4. Rebound (2016~present)
- Build a real-time system for complete sales monitoring
- Outsource call monitoring to external vendors
- Introduce roboteller counsellors to Happy Calls, establish monitoring irrespective of time
- Establish a complete sales system through which an AI Autobot conducts preemptive screening for TM contract reviews

3. Stabilization (2013~2016)
- Changes in the monitoring process
- TM speech analysis system developed
- On-site inspection for complete sales via GA channels

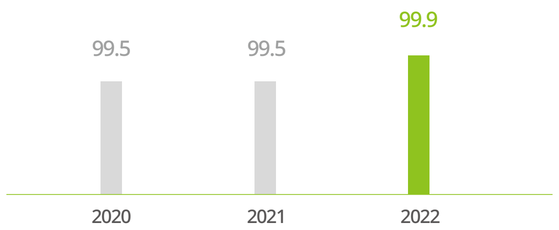
Refined operation of Complete Sales monitoring

DB Insurance has strengthened the complete sales monitoring process by confirming that customers receive sufficient explanations from recruiters before signing contracts, thereby reducing the number of incomplete sales. In addition, we have established a customer-friendly monitoring system to allow customers to re-confirm, via smartphone, contract details prior to signing. We also outsource our call monitoring service to a specialized third-party agency to improve our customer service objectivity and quality.

Strengthened On-site Checks for complete sales

DB Insurance has developed leading indicators to manage incomplete sales factors on-site, and measures performance, and discloses them. We conduct onsite inspections of sales groups that demonstrate poor performance and have simplified offline inspections by conducting them online to facilitate prompt responses to changes found on-site. Based on this, sales organizations are conducting voluntary quality improvements for complete sales and are minimizing incomplete sales at customer contact points.

Sales completion rate (Unit : %)



Improve monitoring of TM channel calls

To foster stable TM contracts through GA (corporate agencies) sales channels, we are operating a call monitoring system. In addition, we have developed an electronic script that is aimed at raising customers' understanding of products and improving contract quality, thereby preventing inadequate product and service explanations or omissions. Through this, we are improving negative perceptions of TM- initiated contracts while preemptively eliminating elements that infringe on consumer rights.

BUSINESS CASE

Received E-Daily Korea Financial Consumer Awards

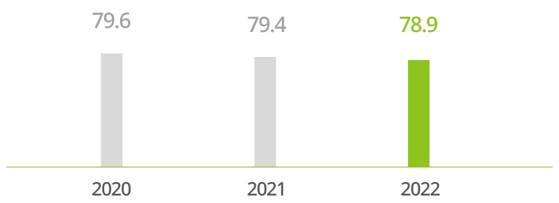
At the E-Daily Korea Financial Consumer Awards held at The Plaza Hotel in Jung-gu, Seoul in 2023, DB Insurance won the Financial Services Commission Chairman Award, the grand prize at this event. Thus, we were recognized for our efforts to increase customer satisfaction and prevent incomplete sales by using digital technology including customized products based on big data. DB Insurance is playing a leading role in protecting consumer's rights and interests within the industry by strengthening the overall sales monitoring process, by ensuring that the customer has received sufficient explanations and services before signing the contract, and by raising the penalty levels for incomplete sales. Based on this preventive control system of incomplete sales, we will continue our efforts to increase consumer's trust.

MOT[1] Securing a Competitive Edge for Service Quality

Expand and strengthen consumer engagement activities

To strengthen communication with customers and improve service quality from the consumer's point of view, we have had a consumer evaluation group since 2010. By 2022, a total of 304 people served on consumer evaluation panels where 863 (78.9%) of 1,093 opinions were reflected in improving services, such as requesting objective assessments on service quality, identification of areas for improvement, and differentiation of products and services. Notably, the "Consumer Policy Advisory Committee," for which outside experts are invited to participate in Consumer Policy Committee and the consumer evaluation group, is the first in the industry. Through this system, we were able to gain objectivity and professionalism in enhancing consumer policy and service quality.

Adoption rate of improvement proposals offered by the consumer evaluation group (cumulative) (Unit : %)



1) MOT : Moment of Truth

Continuous quality improvement of customer guide material

Customer guide materials, such as e-mails, text messages, and printed materials, are prepared in accordance with our guidelines, which are continuously improved through standardization processes in stages. Furthermore, the history of the guide materials is also managed by a review system. Advertising regulations were tightened with the enforcement of the "Act on the Protection of Financial Consumers" in March 2021. In order to prevent consumers from misunderstanding financial products and to ensure clarity and fairness in their description, the company has established and is operating detailed standards and procedures for advertisement production and internal deliberation. By distributing training materials on the advertisement production guidelines and compliance requirements, we also provided training to all employees and sales partners, and conducted monthly inspections to ensure continuous feedback and address any issues.

Enhancement of Customer Demand Handling Capability

Operation of a Consumer Protection Division

In order to effectively and efficiently respond to various VOCs (voices of customers), we have introduced and are operating the Consumer Protection Office. The head of the Consumer Protection Office works to promptly and accurately handle customer complaints in the event of a VOC at the sales site and solve the problem from the consumer's point of view. The introduction of the Consumer Protection Office has significantly reduced the number of grievances reentering VOCs as they are unaddressed.

Improvement of the "problem consumer" response system

We have created the "problem consumer response manual" to implement consumer protection and shield our employees from problematic consumers. Based on real-life cases, the manual is composed of contents such as "types of and responses to problem consumers", "preventing problem consumers", "cases of responses to problem consumers", "crimes by problem consumers and cases of punishment", etc., to enhance the efficiency of customer responses.

Strengthening preemptive activities to prevent customer complaints

In order to establish a preemptive complaint prevention system for types of customer complaints that frequently occur, we have introduced and are operating the "customer complaint early warning system". The system determines complaint "caution" and "warning" steps based on the number of complaints raised and notifies the complaint-handling sites, allowing signs of repetitive complaints to be detected in advance. It not only collects and manages the number of complaints raised, but also the information contained within each case, enabling comprehensive monitoring of customer complaint.

2023 21st Consumer Evaluation Group 2nd Presentation

Establishment of Consumer-oriented Corporate Culture

Enhancing CS competencies of employees and sales workforce

DB Insurance aims to establish a CCM culture and get all its employees to internalize the CCM mindset through the operation of CCM index. The CCM index is a system that allows employees to watch CS training anytime and anywhere through PC or mobile and accumulate their own scores, similar to the credit bank system. The CCM index provides not only CS training, but also diverse-ranging content such as vlogs that benchmark other industries, and consensus VOCs where customers can hear vivid VOCs.
In particular, in 2023, the company held the CCM Conference for about 100 CS coaches nationwide at the DB Insurance Training Center under the theme of "Meaningful Spring for You and Me (DB)." In addition, we operate various CS education programs including online CS training for all employees, CS level-up training for all CS coaches, and CS training for new hires and sales workforce at branches. Moreover, with the purpose of realizing consumer protection by ensuring the rights and interests of financial consumers, we hosted a "Consumer Protection Conference" for executives and employees in charge of consumer protection and shared the regulatory trend of consumer protection policies guided by the financial authority and the company. As part of our efforts to internalize CCM, we shared the best and worst CS practices through in-house broadcasting.

Forming company-wide consensus for consumer protection

As a part of our efforts to prevent customer complaints, we share training videos containing examples of VOCs to raise employee interest in VOCs. Meanwhile, we also run the "Consensus! VOC" program, where we share issues, implications, and improvements that arise during the VOC handling process. In addition, we operate various programs for employees who receive frequent customer complaints and for sales partners with incomplete sales, such as complaint prevention competency enhancement courses, VOC consulting courses, complete sales courses, and consumer experience courses to establish a foundation for consumer protection. As a result, we have become the first non-life insurer to acquire the KFTC's CCM certification 8 times in a row and honored with President's Commendation.

Refine the CS evaluation system and strengthen feedback

Through motivating our employees to provide high-quality customer service, we are striving to establish a customer-centered corporate culture. This is achieved by strengthening the CCM MBO and the monthly/quarterly CCM quality awards, and by awarding employee prizes at our semi-annual management strategy meetings. We also share system-based CS evaluations to raise our employees' awareness of CS improvements, and provide CS consulting to departments with poor CS evaluations to strengthen the evaluation and feedback system. Besides, the company is promoting the internalization of CCM by the employees at the points of contact through the awards for outstanding employees in the CCM index as organized by the CCO once a quarter, and the semi-annual awards for excellent employees as financial consumers as presented by the CEO.

VOC Management

	2020	2021	2022
Response within 1 hour	93.0%	86.0%	81.7%
Completion within 24 hours	73.1%	75.5%	83.9%
Recurring VOC	20.4%	19.5%	19.1%

Diversifying Customer Communication

Online communication channels

DB Insurance operates various social media channels to promptly identify customers' interest and respond to their needs, such as the official blog, My Car Love Blog, I-Sarang Blog, Kakao Story, and Facebook. Each channel posts on many subjects, considering the area in which each generation is the most interested, such as daily life, recent trends and travel as well as finance and insurance and also introduces insurance products that fit each generation to help their understanding of insurance.

"Get in Touch with Customers" Activities

DB Insurance are expanding brand promotion activities that link marketing our flagship products with diverse events in which our customers can participate. Since 2017, we have been offering "Women's Driving Classes" for new drivers and "Children's Traffic Safety Classes", in which we educate children about the Traffic Safety Act. Through these efforts, we have enhanced public marketing activities for women and children. Going forward, we run various offline events for diverse customers to expand the scope of our communication. For those in their 20s and 30s, we provide consulting for children's insurance through participation in the Children's Expo, and have been providing medical information and holding "Pregnancy Classes" on how to stay healthy during early stage pregnancy.

Family love campaign to empathize with customers

As part of the Family Love Campaign, DB Insurance has been running the "Family Love Photo Studio" in the Family Month every year, where people can capture precious memories with their families in photos. The Family Love Photo Studio is a flagship campaign that DB Insurance has been steadily running since 2018, spreading the value of family love through free family photo shoots.

Public marketing activities creating social values

Since 2019, DB Insurance discovers and assists social venture companies possessing innovative technologies for solving social problems in the sectors of transportation and environment through "DB Insurance Transportation and Environment Challenge". It is the first mid- to long-term social contribution project in the insurance industry that supports public-interest startups. For those selected social ventures, business subsidies and one-on-one accelerating assistance for training key entrepreneurial competencies in legal, tax, accounting, and marketing areas will be offered.

Prevention of Insurance Fraud

Preventing Insurance Fraud

In order to circumvent insurance frauds, DB Insurance conducts field inspections targeting 62 business groups nationwide (35 groups in 2022), and conducts activities to control moral risk in sales organizations such as detecting insurance fraud-related solicitors and unauthorized alteration of contracts. Through the operation of the Suspect Customer Management and Improvement Council, the company control the inflow of insurance fraudsters into new contracts and reestablished control standards. Moreover, we are examining the factors vulnerable to insurance fraud for new products by conducting insurance fraud impact assessment from the insurance product development stage. By holding the "Moral Risk Control Council" at the head office and regional offices every month, the company is building a cooperative system to share and respond to insurance fraud issues among regional sales and compensation divisions.
In 2022, in order to strengthen the system to respond to long-term insurance moral risks by securing collateral, the company has expanded the "Task Force to Respond to 6 Major Moral Risks" into the "Task Force to Respond to 10 Major Moral Risks." Finally, DB Insurance has established a regular management system that can identify risks at an early stage by developing the Risk Index, a new outlier detection index that takes accident types and regional characteristics into account.

Insurance Fraud Controlling Process

Phase 1	Phase 2	Phase 3
Prevention	**Investigation & detection**	**Follow-up management & recurrence prevention**
• Insurance Crime Prevention Committee • Regional moral risk control councils • Evaluate the impact of new products on insurance fraud • Improvement activities	• Detection support system • Organizational cooperation system • Strengthen investigation capabilities	• Use fraud detection information • Block insurance fraud offenders in advance

BUSINESS CASE

Reinforcement of company-wide insurance fraud control

To strengthen our capabilities for detecting and preventing insurance fraud in line with growing risks, in 2019, the SIU[1] department expanded its size, reorganizing into SIU operation and SIU support. The SIU division carries out various activities to form a consensus on insurance crime control, including annual insurance crime analysis and detection BP contest for sharing exemplary cases and techniques, a monthly "Empathy! Loss Rate DAY" that is done through the in-house broadcasting system to prevent insurance fraud. In addition, we provide SIU investigators outside statistical analysis training courses as part of our effort to improve analysis competencies for insurance fraud.
Thanks to these efforts, we won the Grand Prize and Excellence Award at the "Excellent Insurance Fraud Prevention Contest" hosted by FSS in 2020, the Excellence Award and the Participation Award in 2021, and two Excellence Awards in 2022, in recognition of our outstanding investigative skills.

1) SIU (Special Investigation Unit) : A special team that investigates Insurance frauds

BUSINESS CASE

Opened DB T-System, a Big Data-based Insurance Fraud Investigation and Analysis System

In order to actively respond to changes in the market environment, including insurance fraud by a large-scale organization and abuse of data and intelligence, DB Insurance has developed the big data-based DB T-System (DB Total Analysis System). The system was introduced to the field operation in January 2022 and has been used to detect insurance frauds. By December 2022, about 145 cases of suspected insurance fraud were detected and requested for investigation. Recognized for its innovation as an Insurtech service using IT technology, DB Insurance has won numerous awards such as the 2022 Korea Financial Grand Prize for Casualty Insurance and the 2022 Korea Financial Innovation Awards for Digital Transformation.

System improvement to support insurance fraud detection

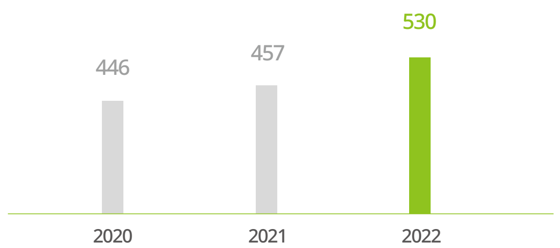
In order to respond to increasingly sophisticated insurance fraud (auto insurance fraud with deliberate accidents based on collusion between the perpetrator and fake victim, patient referral, inducement, and false claim based on broker-hospital conspiracy, etc.), DB Insurance has newly reorganized the existing Insurance Fraud Detection System (IFDS)[1] that has been operated so far, and has established the DB T-System optimized for network analysis (2022). Through this system, which uses machine learning technology to analyze insurance fraud collusion and provide statistical data, it has become possible to respond to insurance fraud more efficiently than the conventional investigation method that solely relied on reports.

In addition, since 2016, we have been making efforts to protect the personal safety of our compensation staff by utilizing a safety support system. Starting in 2021, we are committing our utmost efforts to identify the problem customer to take preemptive measures and seek criminal liability when necessary by establishing the 'Manual for Responding to Problem Consumers in Compensation Process'.

Client Insurance Fraud Response System

To effectively respond to insurance fraud arising from partners such as repair centers and hospitals, DB Insurance has re- established the SIU survey and investigation process and is actively supporting effective evidence gathering activities by claim adjustment workers against clients committing illegalities. Combining data analysis and claim adjusters' opinions, we select target clients and cooperate to enable short yet intensive evidence-gathering activities. In particular, for hospitals suspected of committing insurance fraud, we establish specialized management measures and conduct intensive investigations by specialist investigators.

Amount of insurance fraud detected[2] (Unit : KRW billion)



Internal inspection and monitoring status

Index			Unit	2020	2021	2022
Complete sales rate			%	99.4	99.5	99.9
Sanctions made through internal inspection of incomplete sales	On-site inspection (Individuals)	Sales suspension	Person	688	423	515
		Warning		963	836	523
	On-site inspection (TM)	Sales suspension		20	31	63
		Warning		224	28	30
CS monitoring score[3]			Point	95.2	99.5	96.5
Customer satisfaction survey DCSI[4]			Point	77.3	78.2	79.9

1) IFDS : Insurance Fraud Detection System
2) Adjustment of the detected amount due to establishment of industry-wide calculation standards
3) Internal customer satisfaction survey of customers with service experience
4) DB Insurance customer satisfaction survey (preliminary survey by KS-SQI)

IT / Information Security

Strategic System for IT Support

"Business Done Just in Time!"

Focus IT capabilities to respond quickly and in a timely manner to the rapidly changing business environment

Strategic direction

- Improving system operation stability
- Bolstering the company's IT competitiveness

Major strategic tasks

Improving system operation stability:

① Improvement of the speed of on-site system
- Image weight reduction to improve media processing
- Expanded application of standard browser VDI (business network), introduction of integrated distribution solution
- Improvement of inefficient programs (optimization of screen processing through maintenance such as hard coding)
- Step-by-step update of aging infrastructure (EOS Linux OS, storage, SAN switch, etc.)
- SQL performance management improvement, visible ARS separation/ reorganization, etc.

② Securing of system quality and operational capabilities
- Increase of productivity through workload model advancement, etc.
- Boundary exception failure management, securing of mobile electronic signature operation safety
- Improvement of how to deal with mobile app failure, etc.
- Advancement of failure response process and internalization of response capability
- Preemptive response to internal and external IT compliance issues

Bolstering the company's IT competitiveness:

① Reorganization of IT operation and management system and strengthening of manpower capabilities
- Improvement of IT project management system
- Manpower securing, competency training, R&R reorganization, etc. to strengthen PMO and BRM functions
- Reorganization for quality enhancement and efficient execution of major field projects
- Cost efficiency by contract structure optimization (Oracle ULA, data line, etc.)

② Active support for major projects
- Advancement of CM platform, building of the call system, new entry into retirement pension trust business
- Expansion of legacy UI integration (phase 4), upgrade of legacy systems in the Americas, etc.

③ Internal IT diagnosis to strengthen mid- to long-term IT competitiveness
- Formulation of action plans for the next five years
- Establishment of standard architecture (DB, development framework, etc.)
- Review of disaster recovery system improvement, review of the direction of company-wide groupware improvement
- Improvement of working environment for IT developers

Strengthening IT management capabilities across the value chain

In step with shifting to the digital platform, DB Insurance is pushing to advance its IT system across the entire process, ranging from product development to customer response, to become a leading InsurTech company. DB Insurance shortened the investment decision lead time by 17.2 days compared to the previous year by promoting simplification to improve IT project management efficiency. In addition, the company saved about KRW 2.97 billion by proceeding with the Jennifer ELA (Unlimited License) contract to optimize IT contracts. Furthermore, we are actively carrying out activities to enhance system stability and IT competitiveness by promoting infrastructure advancement for the rapid application of new technologies.

Strengthening business site-IT Partnership

DB Insurance is strengthening field support activities to secure IT competitiveness by channel. In order to respond to various IT issues in a Timely manner, the company is continuously carrying out IT projects and enhance ability to perform tasks. Furthermore, we are responding efficiently to changes in the internal and external environment by expanding communication between IT-related collaboration departments. In 2022, we built and opened "GA Mobile" as a customized IT service for the field, further enhancing on-site convenience in the field.

Improvement of IT service quality

The company-wide IT system of DB Insurance is strengthening the integrated management system such as internal system efficiency and field work support based on business processes. The company supports the stable operation by optimizing the performance of infrastructure and applications operating in the entire process, and is continuously addressing vulnerabilities to increase operational efficiency, further improving data quality.

In particular, in 2022, we improved the efficiency of the system's performance (e.g., expansion of back-end storage capacity, replacement of back-up PTL equipment, introduction of perimeter back-up VTL equipment, expansion of IFRS17 operating DB server, etc.). In addition, the company reduced the time taken to provide support by 519 minutes compared to the previous year by improving the response to failures to ensure the continuity of work in the field. Going forward, we will continue to promote activities to improve system performance in order to earn the trust from our customers and employees.

Establishment of a Digital working environment

As the non-contact remote work environment become popular due to COVID-19, a rapid change towards a digital-based work format was made. In response, DB Insurance created an optimal telecommuting environment using digital technology by expanding virtual PC capacity and installing equipment, thereby increasing the productivity of telecommuting employees.
In 2022, we introduced the AI OCR Automatic Mileage Recognition System to increase the AI OCR system's mileage recognition accuracy to 90%, thus reducing the possibility of misrecognition. In addition, to strengthen future digital competitiveness, we are actively promoting company-wide digital strategy tasks (e.g., integration of portal UI used at sales sites, expansion of smart contact centers, etc.).

Enhancing the efficiency of IT project cost

KRW **7.836** billion

Privacy Protection

Management System for Information Protection

DB Insurance operates a strict company-wide information security management system based on real-time integrated security control system, including information security-related audits of the IT environment, and website inspection and evaluation conducted by independent experts at least once a year.
We operate quarterly the Information Protection Committee, composed of the CISO and key senior management members, to discuss major information protection issues and report the results to the CEO. In addition, the company regularly verifies the adequacy of customer information protection such as the inspection of the consignee entrusted with personal (credit) information and recruitment agencies, on-site inspection of how the subscription design consent form is requested, and monitoring of excessive inquiries of customer information. We also report the inspection details to the Board of Directors once a year.
To minimize information protection risks, the company has also purchased 'Private Information Liability Insurance' and 'E-financial Transaction Liability Insurance' to cover its third-party liabilities related to company-wide information protection.

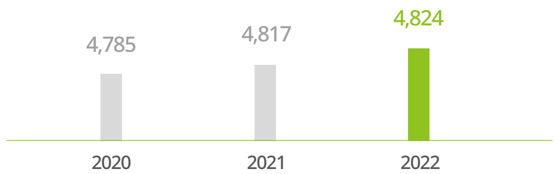
Reinforcing information leakage prevention system

Since 2014, DB Insurance has acquired certifications in Information Security Management System (ISMS), thus establishing a comprehensive information protection system. After the outbreak of COVID-19, we have further improved the efficiency of the integrated security control system to make timely responses to changing work patterns. Furthermore, through the customer information management system as entrusted to an external service, we conduct security checks on the company that is entrusted with the data handling. From 2013 to 2022, there was not a single violation related to the leakage of customer information.

Internalization of awareness on information protection

We help all employees internalize awareness of information security and carry out relevant training on a regular basis, by setting the employee behavioral guidelines for personal information protection. In 2021, we provided twelve training courses focusing on laws such as the Personal Information Protection Act, Credit Information Use and Protection Act, and Financial Security Act, as well as the Understanding the Information Security Scheme course, which were completed by all employees. Furthermore, we implemented information security training for businesses we entrusted with IT services and insurance solicitors.
In order to resume its work in a quick and timely manner in case of emergencies such as data breaches, failures, and disasters, the company provides training to properly respond to intrusions such as server hacking, DDoS attack, and malware mail response recovery and disaster recovery training. In addition, the business continuity plan (BCP) simulation is held every year.

Information protection training personnel (Unit : people)



Strengthening customer information protection and monitoring abnormal signs

We keep customer information safe by encrypting and storing customer data in a structured (DBMS) or unstructured format (images, recordings). We also check whether the statutory obligations in relation to security agreements, website disclosure, and education/inspections are fulfilled, and carry out a quarterly review on insurance planners and agents to address any weak points. Going forward, we will focus on preventing compliance issues. Thus, we constantly overhaul the access control as to customer information and provide training on precautions regarding personal information that insurance solicitors must know in their sales activities.

Digital-centered Customer Value Maximization

Enhancement of Open API[1] Platform

DB Insurance is strengthening cooperation with the InsureTech business based on an open API platform and an integrated open API monitoring system established in 2020. This platform enabled the supply of products and services to new partners as well as electronic linkage with the IT systems of existing and new affiliates. Accordingly, we anticipate greater diversification of our sales channels.
Also, by activating the convergence of open API platforms and partner applications (e.g., external fintech companies, online portals, car performance checkers) we expect to more promptly supply our insurance products and services not only to our partners but also to general customers. Capitalizing on the API platform, we plan to provide a wider variety of InsureTech products and service.

1) Open API (Open Application Programming Interface) : Allows a company's services to be provided to outside partners for their use, and establishes a base environment that assists in the swift and easy creation of new services

Product development using an open API technology

DB Insurance utilizes open API technology to simplify the design of elevator liability insurance. As such, it has become possible to design products based on elevator information sourced from the National Elevator Information Center, enabling customers to benefit from satisfactory services in a more efficient manner.

Elevator Liability Insurance

- An insurance that indemnifies the damages of an elevator managing entity in the event of personal or property damage caused by an elevator accident
- Achieved 36,000 contracts, 36,000 contracts, and 38,000 contracts in 2020, 2021, and 2022 respectively

By utilizing simple design through the building ledger open API, we provide design information which is essential for fire insurance design. Through the service, users can design easily by automatically loading data related to buildings by simply entering the address they want to subscribe from.

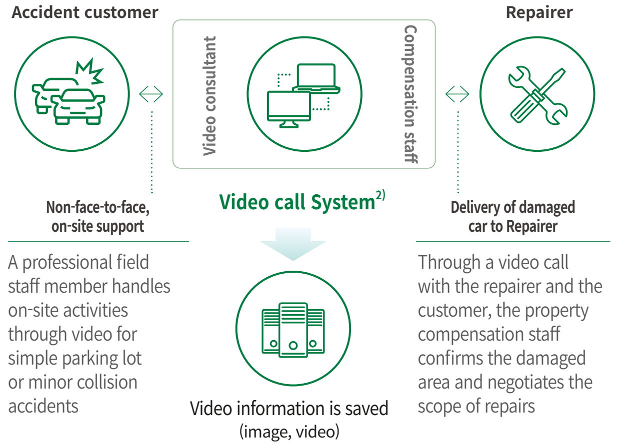
Fire Insurance

- Compensation for property damage caused by fire
- Easy design supported with building ledger Information
- Achieved contracts by providing easy design for 1,545 cases in 2021 and 4,195 cases in 2022

Car accident video call system (DB V-System)

In 2020, we developed the industry's first video call system (DB V-System) that handles, through video, ordinary accidents or requests from customers who seek field staff support at the scene of a car accident. It is receiving high praise that it can respond to accidents more quickly and accurately, which not only improves customer satisfaction but has also significantly improved the work efficiency of the field staff.

DB-V System Flow



2) Also called "soft phone", it uses the same video call method as a mobile phone connected to the VoLTE high-definition video call network. The user may take the video call without going through a separate procedure

KakaoTalk's insurance premium calculation service

DB Insurance has been providing a user- friendly service that allows customers to easily calculate insurance premiums for car insurance, driver insurance, cancer insurance, and dental insurance in less than a minute through Kakao Talk's interactive chat method service. This system offset the difficulties of COVID-19, making it possible to provide customized non-face-to-face insurance consultations, further improving customer access to our service.

How to use the KakaoTalk insurance premium calculation service

1. Choose a product
2. Select Calculate insurance premiums
3. Enter customer information interactively
4. Calculation complete

Launch of advanced safety device-related products in line with autonomous driving technology

With the development and commercialization of autonomous driving technology, DB Insurance has launched an insurance product that offers discounts on premiums when vehicles are equipped with advanced safety devices. Typically, if a vehicle is equipped with a Lane Departure Warning System (LDWS), Lane Keeping Assistance System (LKAS), Forward Collision Warning (FCW), or Autonomous Emergency Braking (AEB), an insurance premium discount of about 3-6% is provided. As a result, people are encouraged to drive safer, traffic accidents can be prevented, and drivers can also benefit from cost savings.

Applicable Devices

Lane Departure Warning System (LDWS)	Warns when a vehicle leaves the driving lane, regardless of the driver's intention
Lane Keeping Assistance System (LKAS)	Automatically controls the vehicle to stay in lane
Forward Collision Warning (FCW)	Notifies the driver of danger by detecting the distance between the vehicle and the vehicle in front
Autonomous Emergency Braking (AEB)	Detects pedestrians or objects in front of the vehicle, and slows down or stops the vehicle in response

Introduction of mobile notification service

DB Insurance has developed a "mobile notification service" that allows customers to check their insurance coverage information anytime, anywhere without limitations. The service protects the personal information of customers and ensures that there is no risk of wrong delivery or loss.

This service sends mobile text invitations by matching a customer's identification with the latest information provided by the customer to a telecommunication company only if they sign up for the service without installing a separate app. The mobile text is then stored in the blockchain verification system owned by the Korea Internet & Security Agency (KISA), to ensure the legal validity of such distribution. Also, this service helps to prevent missed notices to the customer since the insurance company is informed immediately of whether the customer has acknowledged the notice. In addition to the existing Kakao Pay-certified mobile registered mail service, we plan to expand this service to customers with auto insurance, thereby creating a completely "paperless" work environment.

The digital transformation of our customer service will help us reduce relevant costs for mailing, paper issuance, and disposal of documents and enhance customers' convenience by accelerating the business processing speed. Moreover, we will be able to reduce carbon emissions from large amounts of mail and achieve advances in practicing ESG management.

Expanding Socially Responsible Products

Expanding Insurance Products for the Disadvantaged

DB Insurance develops diverse insurance products for underinsured groups such as elderly, those with illnesses and has introduced an underwriting process that considers social and environmental issues. By doing so, we are striving to open the door for easy subscriptions to insurance. In particular, we have released the "Simple and Easy Health Insurance for Me" with minimized notice items for insurance contracts, so that disadvantaged groups in terms of insurance, such as those with illnesses and the elderly, can easily benefit from medical services.

Simplified Notification

Health insurance that can be purchased by the elderly and those with illnesses through simplification of questionnaires

Target Elderly, those with illnesses

Product name Simple and Easy Health Insurance for Me

Accidents

Injury insurance that covers risks in daily life, such as injury/ monetary damage/ liability

Target Elderly

Product name Excellent Accident Insurance

Nursing Care

Insurance that covers nursing care costs in the event that nursing is necessary

Target Elderly, those with illnesses

Product name Convenient Family Love Care Insurance

Medical Indemnity

- Medical indemnity insurance for the elderly
- Medical indemnity insurance with simplified questionnaires

Target Elderly, those with illnesses

Product name
- Out-of-pocket Medical Insurance for Seniors
- Convenient Out- of-pocket Medical Insurance

Free support for safety insurance for abandoned dogs

Together with the Seoul Metropolitan Government, we have been providing pet insurance called "Promy Companion Animal Insurance". In the Promy Companion Animal Insurance, the insurance subscribers who have adopted abandoned dogs through the Seoul Animal Care Center are provided one year of free insurance premiums and a digital pet health care solution (health checkup kit). Going forward, we plan to expand and provide various support to build a new culture of companion animal care through the adoption of abandoned dogs.

Safe Driving UBI car insurance sales

In 2016, DB Insurance launched 'Safe Driving UBI(Usage Based Insurance)'. This product encourages safe driving practices and was the first insurance product in Korea linked to driving habits. It is a differentiated InsureTech product that blends auto insurance with ICT (Information and Communications Technology) and collects driving information, such as speed, quick starts, and sudden brakes, through the driver's smartphone GPS. If the data collected is indicative of safe driving habits, subscribers can receive 2 - 12% discounts on their insurance premiums. In 2022, 727,000 Safe Driving UBI insurance contracts were subscribed, and this insurance is expected to promote safe driving habits and reduce traffic accidents.

Provision of Electric Vehicle Exclusive Auto Insurance

In step with the government's policy to increase the supply of eco- friendly automobiles, DB Insurance provides "Electric Vehicle Exclusive Auto Insurance" that offers tailored coverage for electric vehicles. It covers the risk of electrocution that may occur during the charging process and reduces the financial burden of battery replacements. Further, it also provides emergency towing services up to 100km, in consideration of the current nationwide lack of electric vehicle charging stations. Moving forward, DB Insurance will promote the eco-friendly electric vehicle market by developing diverse insurance products that meet the needs of electric vehicle drivers.

Bicycle Insurance

This bicycle insurance was developed to protect riders from unexpected accidents and to ensure the safety of citizens. By doing so, it aims to increase the number of bicycles on the roads and promote environmental protection.

Auto Insurance

An insurance product aimed at reducing greenhouse gas emissions through partially returning repair costs, or providing premium discounts for participating in special offers, such as the use of recycled parts for vehicle repair, the Carless Day campaign, agreed mileage limits, and receiving auto insurance documentation by e-mail.

Launching of "Simple and Easy Health Insurance for Me," Which Can Be Customized For Each Customer's Medical History BUSINESS CASE

Celebrating its 60th anniversary in 2022, DB Insurance launched "Simple and Easy Health Insurance for Me," a simple notice insurance for the underprivileged who have difficulty signing up for insurance.

A simple notice insurance has expanded insurance accessibility for the underprivileged through simplified medical history questions compared to general insurance products and has a single type of medical history questions. The newly launched "Simple and Easy Health Insurance for Me" provides customized insurance services to customers through five types of integrated and simple notification structures, and presents insurance premiums tailored to the customer's medical history by subdividing the prevalence on an annual basis.

Going forward, we will continue to develop products that protect the underprivileged such as the sick and elderly, as well as motorcycle drivers who are in the blind spots of insurance, and strive to fulfill our corporate social responsibility.

Performance of Insurance Products Designed to Create Social Value (Unit : case, KRW million)

Product		Type	Number of Contracts	Revenue (DPW)
Long-term insurance	1Q Super Simplified Health Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	12,764	6,062.6
	2Q Super Simplified Health Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	9,731	5,042.9
	Reasonable and Easy Health Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	26,879	21,274.5
	Simple Medical Indemnity Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	47,676	15,613.6
	Easy Family Love Alzheimer- Nursing Insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	7,945	6,247.6
	Old age Medical Indemnity insurance	For vulnerable groups in insurance "blind spots" (the elderly)	393	108.7
	Motorcycle Driver Insurance	Motorcycle drivers	33,082	6,938.2
	Good and Easy health insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	29,054	22,875.1
	Excellent and Easy health insurance	For vulnerable groups in insurance "blind spots" (the elderly and infirm)	258,749	82,539.1
Car insurance	Special contract for Promy Heart (preferential benefits for low income people)	For low-income families/children	2,507	1,865
	Special contract for Traffic safety education (preferential benefits for the aged)	For vulnerable groups in insurance "blind spots" (the elderly)	1,379	1,155
	Gomduri Car Insurance	For vulnerable groups in insurance "blind spot" (the disabled)	164	139

DB Insurance's Activities and Performance in Value Creation for Shareholders and Investors

Shareholders are individuals or groups who purchase stocks issued by DB Insurance or supply capital in pursuit of profit. In the past, shareholders expected capital gains in investing in stocks, but current-era shareholders further pay attention to changes in corporate value made by senior management's decision-making. Therefore, more are participating in shareholder action and shareholder activity by actively expressing their opinions, requesting company information, and actively involving in general meetings of shareholders. We believe that the purpose of shareholder activities is to align the interests of shareholders and the management, secure investment returns in the mid- to long term, and contribute to the continuous growth of investment target companies and improvement of corporate value. Accordingly, DB Insurance is listening to the voices of shareholders and working diligently to prepare institutional mechanisms to protect shareholder rights and interests.

Shareholders Communication Channels | IR (Investor Relations) activities · Company briefing sessions

- Business disclosure (electronic disclosure system and DB Insurance website)

2022 KEY FIGURES

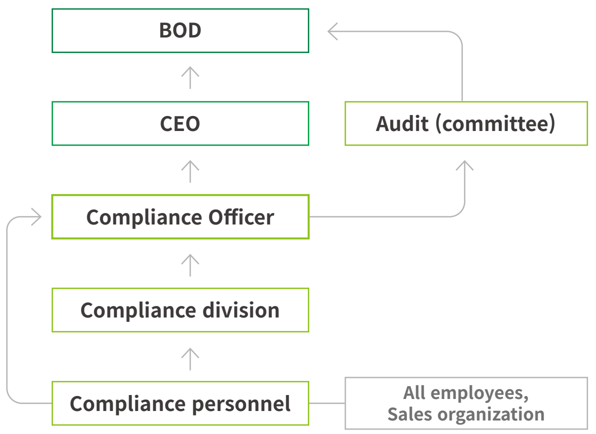
- Compliance Index: **96.6 points**
- BOD Attendance Rate: **100%**
- Ethical Management Pledge Participation: **100%**

Ethical Management

Ethical Management Governance

DB Insurance appoints a Compliance Officer, in charge of internal control-related tasks, to monitor compliance with internal control standards and investigate violations of internal control standards, and has a compliance personnel at the headquarters and each business site to ensure that the internal control tasks are efficiently performed throughout the company. The Internal Control Committee chaired by the CEO meets twice a year to discuss major issues of internal control, including monitoring, inspection and improvement plans for financial accidents and vulnerable business areas.

Ethical Management System



Compliance Management System

We acquired ISO 19600 in 2017 for our compliance management system, the first in the Korean insurance industry, demonstrating that we have established and are operating a global standard compliance management system, including compliance policies, identification and assessment of compliance risks, control and monitoring, internal audit, and management performance review. In 2021, we were the first Korean non-life insurance company to acquire the ISO 37301 certification, which requires a compliance management system that is much stricter than that in ISO 19600. We also updated our Code of Ethics and guidelines to account for laws and regulations such as the Anti- Graft Act, thereby raising ethical awareness.

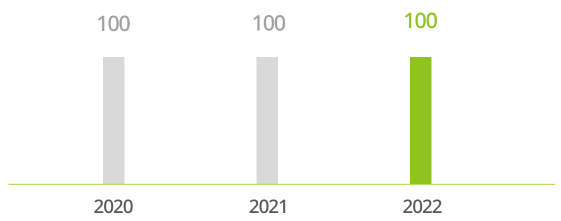
Code of Ethics and related practice guidelines

Ethical Management Vision

Company-wide Compliance Management System

We continue to identify compliance risks and management processes yearly to enhance our company-wide internal control management system. Key indicators are monitored on a monthly basis according to the level of risk identified by each department. In the event that abnormal signs occur within the monitoring items, we identify problems and make any necessary improvements to our systems. In order to prevent financial accidents and unethical conduct, we also carry out quarterly self-inspections through supervisors.

Participation in Pledges for Ethical Practice (Unit : %)



Compliance training in 2022

Category	Training Method	Timing
4 Essential compliance courses	VOD	April~June
Entry course for new hires	Lectures	January, December
Compliance broadcast	In-house broadcasting system	March, July, November

Major internal control activities in 2022

Category	Number of implementations	Main contents
Constant monitoring	50	Monthly monitoring on key indicators of sales, head office, and insurance compensation divisions
(Periodic) Inspection	11	Inspection of major policy departments
Self-inspection at business sites	8	Inspection by dispatched supervisors, self-inspection by branches

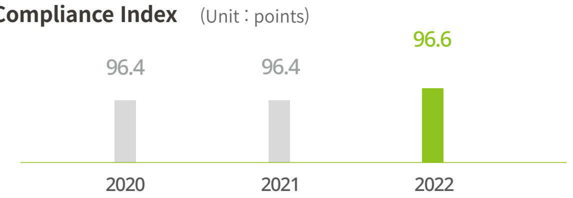
Compliance activities

We are producing various contents (e.g., in-house broadcasting, ethical compliance communication, etc.) to promote and develop a culture of compliance. We also operate the Ethics Report Center on our website so that employees and sales organizations can report unethical behaviors they have witnessed. To raise employees' interest and understanding of compliance and build their awareness about it, we provide mandatory training on ethical compliance practices for new general hires and office employees upon entering the company, as well as conduct group training for compliance personnel from 200 departments of the company annually to internalize the compliance activities.
Furthermore, we added these ethical management courses to the basic training package that is provided to our subsidiaries including DB Sonsa, DBCAS, DBCSI, DBCNS, and DBMNS. We also receive a written, compliance pledge from each subsidiary, reflecting the characteristics of their business.

Compliance Index

DB Insurance measures the level of compliance through its compliance index evaluation system. The compliance index evaluation consists of the processes of professional ethics tests, compliance risk evaluations, and compliance monitoring reports for the headquarters and by division (sales, insurance compensation, etc.). To facilitate a more accurate evaluation system, we are continuously improving and supplementing evaluation items, taking into account internal and external changes, and compliance issues that actually occurred. For the 2022 evaluation, the company's compliance index recorded 96.6 points, up 0.2 point from the previous year.

Compliance Index (Unit : points)



Compliance Implementation and Assessment

Compliance risk analysis and Evaluation

To identify compliance risks likely to occur in each department, we systematically manage compliance risks through evaluating those risks in detail by probability of occurrence to assess associated risk levels. As a result, the number of risk items increased from 200 in 2017 to 385 in 2022 and we are responding to these risks by devising optimal plans. The overall results were computerized in the compliance risk section of our ethics and compliance IT system and are subject to ongoing management. In addition to these annual risks, we periodically update and manage ongoing, regular compliance risks.

Compliance Risk & Management Planning (As of 1st half of 2022)

385 cases

Inspection and monitoring

We categorize "abnormal indicators that may occur in the business of each department" into sales, compensation, and business expenses and conduct constant monitoring every month, and when abnormal symptoms occur, we immediately implement improvement measures through regular/theme inspections. We conducted 65 monitoring sessions and inspections, and presented 30 improvement opinions in 2022, and we plan to expand the scope of continuous monitoring.

Annual Reviews & Monitoring Sessions in 2022

65 times

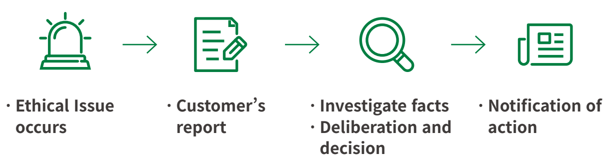
Measures Taken

30 cases

Eradication of unethical behaviors

DB Insurance implements various ways to prevent unethical employee behaviors and give alerts on those behaviors throughout the company.
Through the whistle-blowing system, employees can freely report unethical behavior within the company. Also, the Compliance Officer's "Ethical Violation Report Center" can be accessed through the company website so that anyone can report cases of financial accidents or internal control violations. Among the 84 ethics reports received in 2022, none involved fraudulent acts by our employees. The reports involved complaints that occurred during contracts and accident handling. Depending on the content, each complaint was transferred to the support division, planning division, and consumer protection division of the relevant department, and appropriate measures were taken.
In addition, if any goods or valuables are obtained in the course of performing the job, they should be reported to the Compliance Officer via the Registration System of Reporting of Money and Valuables, through which public auctions are held for the reported goods. All proceeds from the public auction are then donated to social welfare organizations and the in-house "Heart Fund." Furthermore, we have taken multiple measures to maintain the integrity and clean nature of the organizational culture throughout the company since 2019 by checking compliance with the "Code of Ethics Practice Guidelines," monitoring receipts or transfer of congratulatory gifts between employees for employee inauguration, promotion, and internal job transfer.

Ethical Management Reporting and Handling Process



Division in charge : Compliance Department
Contact No. : 02-3011-3062
Email : F1110393@dbins.net
Address : 10F, 432 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea

2022 Ethical Management Consultations and Reports

Category		No. of Cases
Client Complaints	Services (products)	84
	Corruption	-
	Complaints from suppliers	-
	Misc. (e.g., personal data)	-
Action	Disciplinary Actions	-

Anti-money laundering system

To carry out anti-money laundering ("AML") activities that can practically prevent criminal acts and build a sound, transparent financial order, we furnished an internal control system under which our employees are faithfully fulfilling their roles. To comply with the reinforced requirements of the Financial Action Task Force on Money Laundering (FATF) and financial authorities, a review checking on the current status of our AML system was carried out by an outside expert in 2016. Consequently, we use the RBA (Risk- Based Approach) system, self-developed in 2018, to perform the identification of customers, reporting of suspicious transactions and large cash transactions based on the RBA risk assessment.
As a result, 885 suspicious transactions and 2 large cash transactions were reported to the Korea Financial Intelligence Unit in 2022.
Going forward, we plan to further develop the implementation structure and the system to comply with the statutory schemes.

Voluntary compliance of fair trade

DB Insurance has pursued transparent competition under fair procedures based on commitment to practice fair trade practice through the "Fair Trade Voluntary Compliance Regulations" enacted in 2003. We adopted a fair trade compliance program that provides training to all employees at least once a year to promote the internalization of fair trade culture throughout the company.
To monitor and check voluntary compliance of fair trade and employee/business partners' compliance with the Code of Ethics Practice Guidelines, the Compliance Officer sends out notices titled "Request for Cooperation to build an Ethical Culture" each year to all business partners, including hospitals, goods suppliers, loan solicitors, and industrial suppliers. In 2021, the number of these notices was increased by 500, and a total of 5,500 notices were sent out to suppliers across the country, with the number of notices being the same in 2022. When partners submit their requests through the VOC, we go through in-depth discussions with them and actively strive to implement improvements based on those issues.

Legal Risk Response System

The Legal Risk Management Department, which is composed of in-house attorneys and legal experts, is dedicated to preventing risks by organizing training and providing information, insurance/business claim management, and legal advice. In addition, we promote the establishment of an efficient risk management system by presenting business guidelines to actively respond to internal/external legal risks which are increasing every year.

Legal Risk Review (Unit : case)

Category	2020	2021	2022
HQ Inquiries	674	727	968
Sales	1,653	1,977	1,868
Compensation	80	87	115
Total	2,407	2,791	2,951

Operation of the internal accounting management framework

In accordance with the enforcement of the "Act on External Audit of Stock Companies", we operate an effective internal accounting management framework. In 2022, we evaluated 540 critical controls in terms of design and operation, and made improvements/corrections accordingly, and obtained an "adequate conformity opinion" in the external auditor's audit. In 2023, the first audit of consolidated internal accounting management system will be conducted, and we plan to thoroughly respond to this through consulting from accounting firms.

Management of Disclosure Violations

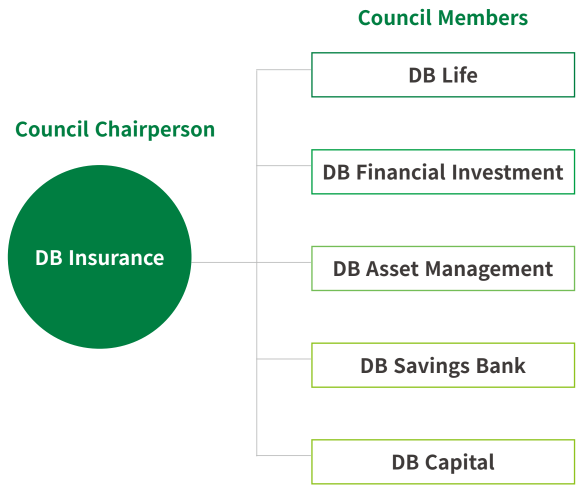
In accordance with the applicable laws and regulations, our guidelines on disclosure, procedures, and management are such that our employees can perform their duties in line with our Code of Conduct. Those in charge of disclosure regularly monitor disclosures and promptly notify relevant departments in case of any problems.

Risk Management

Strengthening risk management of FC

The "Act on Supervision of Financial Conglomerates" came into force to establish a legal basis for supervision of financial conglomerates with the goal of sound management of financial conglomerates. Accordingly, the DB Group was designated as a financial conglomerate. DB Insurance is a representative financial company of the financial conglomerate group, and operates a department dedicated to risk management. The company has established the "Financial Conglomerate Risk Management Policy" and the "Financial Conglomerate Risk Management Standards" to efficiently manage risks for the financial conglomerate as a whole, and operates the "Financial Conglomerate Risk Management Council" composed of risk management managers from major financial affiliates. We are strengthening our systematic risk management by operating the Financial Conglomerate Risk Management Council to review major risk management issues.

DB Financial Conglomerate Risk Management Council



Risk policy and strategy

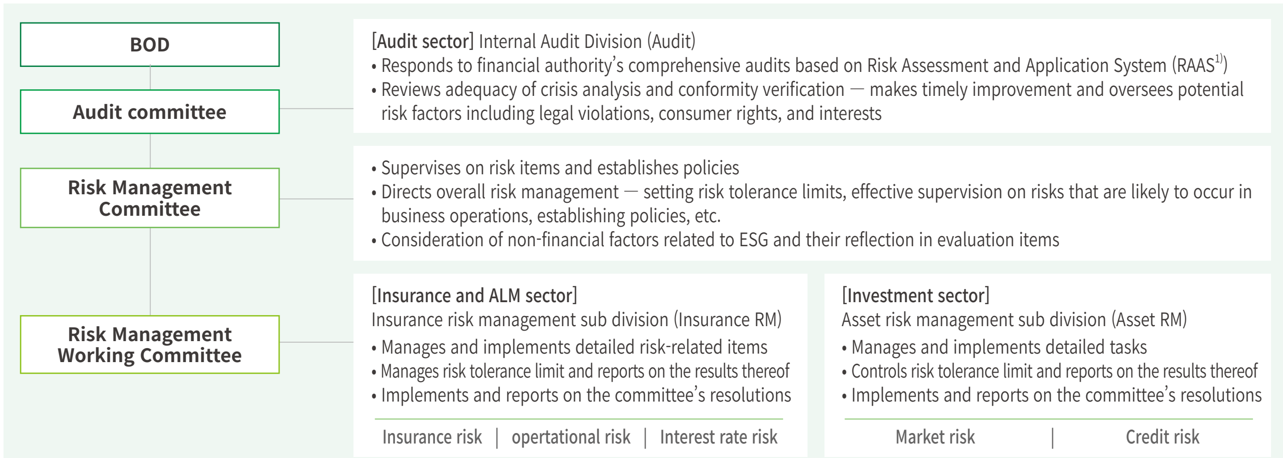
To conduct company-wide risk management, DB Insurance performs strict monitoring and control activities, following certain limits and guidelines set by the risk management strategy established in 2021. Also, mid- to long-term management strategies and risk management strategies in connection with business plans are approved annually by the Risk Management Committee. Moreover, we allocate risk capital to each risk category so that the overall risk level is maintained appropriately compared to the reserve capital, and we strive to minimize the risk burden by predetermining the risk factors, volume, and adequacy.

1. Risk appetites such as the company's total risk exposure and target RBC ratio
2. Capital allocation to individual risk using RBC (Risk-Based Capital)
3. Risk limits and VaR/Exposure/Loss/Losscut/ Concentration limits and guidelines assuming an optimal asset portfolio
4. Guidelines for average payback period under ALM for interest rate risk management, guidelines on estimated interest rate
5. Optimal reinsurance operation strategy including insurance risk holding limit
6. Establishing a risk management body under DB FC to prevent risk transfer among affiliates and group insolvency

Risk management organization

In accordance with the "Act on Corporate Governance of Financial Companies," DB Insurance has established a Risk Management Committee, a sub-committee of BOD that supervises the risk management and overall business operation. Additionally, the Risk Management Working Committee was organized to flexibly respond to the rapidly changing financial market environment, which also places sub-divisions dedicated to managing insurance risks and asset risks, thereby further enhancing expertise in its operation. An internal audit division is also in place to maintain and reinforce the financial soundness and safety of our financial system.

Risk Management Organization



1) RAAS : Risk Assessment and Application System

Establishment of the risk management system

To maintain the financial soundness of the company, DB Insurance sets individual risk limits according to the target RBC ratio, taking into account market and regulatory environment changes, mid- to long-term business plans, and RBC[2] ratio projections. Furthermore, we have been regularly carrying out crisis analysis under which we assess reserve capital capacity by applying scenarios assuming the changes in risk factors of stock prices, interest rates, and exchange rates, establishing countermeasures accordingly. Capitalizing on our Enterprise Risk Management (ERM) system, we have been efficiently assisting risk control functions, which include the tasks of calculating individual risk exposure, stress testing, and risk-oriented management planning. In 2022, the company reflected changed requirements of the new solvency system (K-ICS) and stably operated the system through quantitative impact assessment (QIS). In doing so, we are thoroughly preparing for the impact of the introduction of K-ICS.

2) RBC (Risk-Based Capital) : Solvency ratio of an insurance company and an indicator of financial soundness

Types of Risk Management

Category	Types of Risk	Description
Financial Risks	Insurance	• Risk associated with prices and reserves, arising from differences between expectations and reality
	Interest Rates	• Risk of loss due to a decrease in the company's net asset value when interest rates fluctuate, arising from discrepancies in the maturity of assets and liabilities and the interest rate structure
	Market	• Risk of price fluctuations caused by interest rates, stock prices, and exchange rates
	Credit	• Risks arising from defaulting parties • Risk of changes in asset value due to defaults and credit ratings • Reinsurance credit risk: from reinsurer bankruptcy
	Subsidiaries	• Risks arising from the risks that subsidiaries are exposed to
Non-financial Risks	Business Management	• Risks arising from strategic aspects of management, e.g. delays in maintenance of necessary management systems and failure to make decisions
	Legal	• Risk of losses due to errors in the interpretation or application of laws, or non-compliance with regulations and policies
	Office Work	• Risks arising from employee negligence or misconduct in business processes, or errors in business procedures and standard settings
	Computer Systems	• Risks associated with program, system, and computer errors
	Reputation	• Risks that will negatively affect the company's credibility due to management failures, violation of laws, and social issues
	Operation	• Risk of human and material damage due to disasters and accidents

Financial Stability Management

Business Continuity (BCP) Management

As the risk of business suspension from unforeseeable disasters caused by climate change is also increasing, DB Insurance has been carrying out the BCP (Business Continuity Plan) project since 2013 to ensure continuity of corporate management in the event of business interruption. We conduct mock drills on a regular basis to strengthen our response capabilities in the event of an emergency.

Analysis of business impact	• Distribution and identification of tasks, by unit, so that they can be recovered in accordance with their importance in the event of an interruption to operations
Company-wide BCM planning	• Realignment of priorities by analyzing BCM (Business Continuity Management) results at the company level • Management planning with respect to the organization, human resources, alternative business sites, IT systems, important information, equipment, and supplies • Update of project-related R&R and personnel
Simulated BCP training	• BCP reviews and promotion of awareness through an annual update of accident scenarios and mitigation of inadequacies through post-training comments • IT DR (disaster recovery) training in line with electronic finance supervisory regulations

Management of financial soundness and limit setting

DB Insurance has maintained stable capital adequacy by assessing the soundness of risk equity in accordance with the RBC criteria stipulated by the financial authority. Also, we allocate the capital required for each risk according to the RBC criteria, where risk tolerance limits are set upon the approval of the Risk Management Committee. This information is regularly reported to the committee and Management. Relevant issues are strictly controlled and monitored constantly and as of December 2022, the RBC ratio was 171%.

Risk Factor Sensitivity Analysis

Through asset sensitivity analysis, we proactively respond to the impact of various market risk factors on our market capitalization and profit and losses by identifying the factors which have the most impact on changes in our RBC ratio. In addition, based on the crisis analysis criteria presented by the financial authorities and the company's own scenarios, we also analyze crisis situations in line with risk factors and integrated crisis situations according to changes in stock prices, exchange rates, interest rates, default rates, and loss ratios. As a result of these diverse efforts, our RBC ratio has never fallen below 100%, even during times of crisis.

K-ICS (Insurance Capital Standard)

As IFRS 17 (International Financial Reporting Standard), which is based on the market value of insurance liabilities, is expected to be implemented in 2023, authorities are promoting the K-ICS, a new financial stability management system based on the market value of assets and liabilities. In response to these new policies, we have included the K-ICS standard model and internal model in the IFRS 17 integrated system, which is based on the new solvency system, with respect to reserve capital, long-term insurance risk, general insurance risk, market risk, and credit risk. We are also building our interest-bearing assets to match duration and cash flow, adjusting our insurance liabilities portfolio and increasing capital if necessary.

K-ICS

1	Increase in the volatility of reserve capital andrequired capital according to the market valuation of assets and liabilities
2	Raising confidence in the measurement of required capital (99% → 99.5%)
3	Expansion and segmentation of risk assessment targets
4	Introduction of future cash flow projections concerning assets and liabilities

IFRS 9 System implementation

In preparation for IFRS 9, which specifies changes in financial instrument classification and impairment approach, we have completed the establishment of a new asset management system that aligns with these accounting treatment changes so as to ensure that IFRS 9 can be applied independently to reporting periods from 2022.

Corporate Governance

Board of Directors

The Board of Directors (BOD), DB Insurance's top decision-making body, makes key management decisions and audits the management of the company. In order to enhance fairness and transparency, the CEO serves as the chair of the BOD to establish a responsible management system from a mid- to long-term perspective. In addition, we ensure the independence and soundness of the BOD by appointing independent directors with diverse expertise and experience, while operating an independent governance structure with subcommittees centered on independent directors.

Operation of the BOD

Category	Unit	2020	2021	2022
No. of meetings held	Time	10	9	7
No. of agendas submitted	Case	25	23	22
Attendance rate[1]	%	100	100	100

1) Attendance rate of all registered directors (2 executive directors/3 independent directors), minimum attendance requirement for all members : 80%

Composition of BOD

In accordance with the Articles of Incorporation ("AOI"), DB Insurance operates the Board of Directors ("BOD"), composed of five directors, and appoints three independent directors to maintain a majority of non-executive directors. At the 2023 annual general meeting of shareholders, independent directors, Jeongho Choi and Seonae Jeon, and executive directors, Seunghyeong Nam, were appointed. Under the "Act on Corporate Governance of Financial Companies," independent director Chaewoong Jeong was appointed according to the method of "separately appointing one or more independent directors who are Audit Committee members." As part of our effort of practicing ESG management, we appointed a female independent director, Seonae Jeon, a professor at Chung-Ang University and a financial economy expert, to strengthen the professionalism and diversity of the BOD.

In order to strengthen timely response to changes in the business environment and improve the efficiency of BOD operation, the BOD appointed CEO Jongpyo Jeong, who has a deep understanding of the company and expertise in the insurance industry, as BOD Chairman in March 2023. CEO Jongpyo Jeong was recommended as the chairman since he was appraised as a candidate suitable for efficient BOD operation based on his various experiences and knowledge in the non-life insurance business and the financial industry. He was elected by the unanimous vote of the directors, excluding the candidate himself.

The BOD conducts regular BOD meetings that are held once a quarter and temporary BOD meetings, depending on the importance of the management issues. It resolves major management issues stipulated in relevant laws and regulations, AOI and BOD regulations, and deliberates on and resolves agendas considering social and environmental impacts and governance issues in its decision-making process.

Profile of BOD members (As of June 2023)

Name	Title	Year of Birth	Gender	Term	Date of first appointment (Date of the latest appointment)	Tenure	Field of expertise	Major career	Industry experience[2] (Finance/ Insurance)
Jongpyo Jeong	CEO & Chairman of BOD	1962	Male	3 years	2021.3.26, Newly appointed	2 year	Finance (Non-life insurance)	- Head of Corporate Business Division, DB Insurance - Head of Individual Business Division, DB Insurance - (Current) CEO of DB Insurance	36 years
Jeongho Choi	Senior independent director	1954	Male	1 year	2019.3.15 (2022.3.24)	3 year	Business administration (Insurance)	- Actuarial Standards Committee Member, Financial Supervisory Service - Director, Korea Insurance Academic Society - (Current) Director, Korea Risk Management Society - (Current) Professor of Business Administration, Sogang University	38 years
Chaewoong Jeong	Independent director	1953	Male	1 year	2022.3.25 (2023.3.24)	-	Insurance and financial services (financial services)	- Director in the Office of Public Relations Ambassador, Ministry of Finance and Economy - Director General of the Bureau of Planning and Administration, Financial Supervisory Commission - Chairman of Korea Insurance	44 years
Seonae Jeon	Independent director	1963	Female	1 year	2023.3.24, Newly appointed	-	Economics (Finance)	- Asset Management Committee Member, Deposit Insurance Corporation - Regulatory Reform Committee Member, General Insurance Association of Korea - (Current) Dean of Chung-Ang University Graduate School of International Studies	23 years
Seunghyeong Nam	Executive director	1968	Male	3 years	2023.3.24, Newly appointed	-	Finance (Non-life insurance)	- U/W Team Leader, DB Insurance - Business Management Team Leader, DB Insurance - (Current) Head of Management Support Office, DB Insurance	30 years

2) Work experience in financial companies and finance-related organizations

Director Appointment Process

DB Insurance recommends CEO, Independent Director, and Audit Committee candidates through the Executive Candidate Nomination Committee, in line with the Act on Corporate Governance of Financial Companies.
In accordance with internal regulations, the Executive Candidate Nomination Committee is composed of three or more directors, for which a majority, including the Chairman, are independent directors. The Executive Candidate Nomination Committee forms and operates candidate pools for independent directors and the CEO, and reports on the operating status of these pools at least once a year to the BOD. From the pool of candidates, the committee reviews and recommends candidates based on their expertise, fairness in past work, ethics, and responsibility. The recommended candidates are appointed by BOD resolutions at the general meeting of shareholders. The appointment of the CEO is carried out in accordance with the procedures of the CEO Succession Regulation including emergency measures and the CEO succession procedure. Through this systematic procedure, managerial vacancies due to replacement or accident of CEO are prevented.
The Annual Corporate Governance and Compensation Report that outlines the details of director appointments is disclosed on our official website.

Director Appointment Process

CEO, Independent Directors, and Audit Committee members

Executive Candidate Nomination Committee
(candidate recommendation)

↓

BOD
(candidate selection)

↓

General meeting of shareholders*
(director appointment)

↓

Disclosure
(the result of appointment)

Recommendation of BOD candidates

E.g., Executive Director recommendation

* Separately appoints one or more Audit Committee members

Operation of Candidate Pools (Unit : person)

Category	No. of members
CEO candidate pool	11
Independent director candidate pool	92

Operation of the Independent Director Candidate Pool

(Unit : person)

Category	Public office	Finance	Academia	Legal	IT	Total
Total	19	24	28	13	8	92
Female	2	5	13	12	5	37
Male	17	19	15	1	3	55

Independence Criteria for Independent Directors

1. An independent director shall not have been employed by the Company in a top management position, including the CEO, in the past 5 years
2. An independent director and/or their family shall not have received money in any form whatsoever from the Company or its parent company or subsidiary, in the past 3 years
3. An independent director and/or their family shall not have served as an executive of the Company or its parent company or subsidiary in the past 3 years
4. An independent director shall not be the Company's advisor, consultant, or an advisor to its top management, nor be in an affiliated relationship with the Company
5. An independent director shall not be in an affiliated relationship with the Company's key customers (suppliers) or partner companies
6. An independent director shall not have personal transactions or service contracts with the Company or its top management
7. An independent director shall not have transactions or relationships with NGOs, etc., that receive a significant amount of contributions from the Company
8. An independent director shall not have served as a partner or employee of the Company's auditor in the past 3 years
9. An independent director shall meet the independence criteria or other requirements designated by the BOD, and shall not have conflicts of interest with the Company

BOD Activities

Expertise of the BOD

Independent director candidates are nominated after a fair verification process in accordance with the regulations of the Executive Candidate Nomination Committee and other applicable laws. The company identifies and nominates directors from a pool of candidates composed of experts with a broad understanding and practical experience of not only the financial industry, but also of relevant fields including the law, accounting, economy and the media.

Diversity of the BOD

The BOD promotes diversity in its composition by appointing directors with extensive experience in, and professional knowledge of, the financial industry, and that are highly competitive in professional and specialized sectors such as non-life insurance, financial industry regulation, fair trade, and personnel/labor management. In addition, director candidates are not discriminated against with respect to their race, disability, gender, etc.

Principles and Criteria for Diversity on the Board of Directors

Age, gender, and racial diversity in the workplace are assets to the company. DB Insurance is committed to leveraging the diverse backgrounds, experiences, and perspectives of our employees to provide outstanding and equal customer services to all the communities we serve. Therefore, we promote diversity in our workforce across all ranks and business sites, including our subsidiaries. At DB Insurance, we reinforce diversity by establishing policies to correctly recognize the importance of diversity in all areas of the insurance business, such as recruitment, human resources development, competency enhancement, retention of employees, assignment of jobs, and mentoring/training programs.

Prevention of Conflicts of Interest

The BOD receives periodic reports on the results of prior reviews and audits of potential conflicts of interest (e.g., internal transactions) conducted by the Risk Management Committee and the Audit Committee in accordance with the relevant regulations. Depending on the results of the review and deliberation, the company supports the decision-making process relating to conflicts of interest by reflecting review opinions in board resolutions, and if the agenda falls short of the approval requirements prescribed by the board and related statutes, the company may limit the progression of the agenda in question. Under Article 34 of the Enforcement Decree of the Commercial Act, the BOD does not recommend or elect, as director, anyone already serving as a director, officer (executive), or Auditor Committee member of two or more companies other than DB Insurance.

Enhancement of Fairness in Senior Management Incentives

By operating the Compensation Committee composed entirely of three independent directors, DB Insurance ensures objectivity and fairness of performance evaluations for senior management, including the CEO and CFO. Compensation for senior management is paid on a deferred basis (at least three years) under the "Executive Performance Compensation Regulation." We also stipulate the method of recovering compensation from management in the event that clawback is necessary. The Annual Corporate Governance and Compensation Report, which contains the current status of the compensation system, is disclosed on our official website.

Compensation Ratio[1)] (As of 2022[2)])

Total CEO remuneration		KRW 1,087 million
Annual compensation of employees (excluding CEO)	Median	KRW 80 million
	Mean	KRW 86 million
CEO/Employee compensation ratio	Median compensation ratio	13.5 times
	Mean compensation ratio	12.6 times

1) Compensation includes incentives (performance compensation)
2) The above is based on 2022 (2022.1 ~ 2022.12) and is based on the CEO's remuneration for the period.

BOD Performance Evaluation

We evaluate the operation of our BOD and its subcommittees, as well as our registered directors. Details concerning the evaluation, including methodology, are disclosed once a year through our annual governance report.

Governance & Remuneration System Annual Report Disclosure URL

Sub-committees of the BOD

In accordance with the relevant laws and the company's AOI, 6 sub-committees operate under the BOD, including the Audit Committee, Risk Management Committee, Remuneration Committee, Executive Candidate Nomination Committee, ESG Committee, and Management Committee. Each committee deliberates on and resolves the matters delegated by the BOD.

Composition & Roles of BOD Committees

Category	Key responsibilities	Composition	Chairperson	Requirements
BOD	Decision-making on major management issues such as convening the general meeting of shareholders and approving financial statements and business plans	3 independent directors, 2 executive directors	Jongpyo Jeong (Executive Director)	A lead independent director shall be appointed in case the BOD chairperson is not an independent director (senior independent director: Jeongho Choi), and the majority of the BOD should be composed of independent directors
Audi Committee	Selects independent auditor, determines on accounting treatments and performs audit activities independently, investigates business and asset status, etc.	3 independent directors	Chaewoong Jeong (Independent director)	Should be composed of 3 or more directors, of which two thirds or more are independent directors, and chairperson should be an independent director
Risk Management Committee	Decision-making on major risk management issues such as establishing risk management strategies, setting risk management limits, and group risk management	3 independent directors	Jeongho Choi (Independent director)	Should be composed of 2 or more directors, of which the majority are independent directors, and the chairperson should be an independent director
Remuneration Committee	Operates the performance remuneration system for the Management and employees, and deliberates on the adequacy of the system, etc.	3 independent directors	Seonae Jeon (Independent director)	Should be composed of 3 or more directors, of which the majority are independent directors, and the chairperson should be an independent director
Executive Candidate Recommendation Committee	Manages candidate groups for positions of CEO and independent director, and recommends candidates for positions of CEO, independent director, and audit committee members	3 independent directors	Chaewoong Jeong (Independent director)	Should be composed of 3 or more directors, of which the majority are independent directors, and the chairperson should be an independent director
ESG Committee	Establishes environmental (E), social (S), and governance (G) policies and manages the operation framework for vitalizing sustainable management activities	1 independent director, 2 executive directors	Jeongho Choi (Independent director)	Should be composed of 3 or more directors including the CEO, and the chairperson should be an independent director
Management Committee	Decision-making on frequently occurring general management items such as the issue of opening and closing branches and appointing managers	2 executive directors	Jongpyo Jeong (Executive Director)	Should be composed of 2 or more directors, and the chairperson should be the CEO

BOD's ESG management activities

DB Insurance established the ESG Committee as a subcommittee of the BOD in March 2021. The committee carries out decision-making on environmental, social, and governance issues in the course of sustainable management, and then reports the details of activities and major decisions to the BOD. The ESG committee consists of 3 directors including the CEO, and the role of chairperson must be served by an independent director. Based on this ESG management system, it approved the company's ESG management strategy in May 2021, building an industry-leading ESG management system. Additionally, to facilitate smooth performance of the committee, an ESG Office is placed directly under the committee to serve as their administrative secretary, as well as an ESG Working Committee in which managers from major departments of the company participate. The working committee is divided into 3 subdivisions: environment, society, and governance, each tasked with identifying major pending issues and detailed improvement tasks, including internal and external environmental analysis related to ESG management and understanding stakeholder issues. The pending issues and improvement tasks identified by the working committee are reported to the ESG Committee and are then reflected in the company-wide ESG strategies and implementation checklists.

ESG Management Operation System

Shareholding Structure

DB Insurance has issued a total of 70,800,000 common shares. No preferred shares have been issued. As a listed company on the Korea Exchange, we are permitted to issue shares with limited voting rights. However, the issuance of shares with different voting rights, such as Poison Pills and Golden Shares, is not permitted under Korean law.

Major Shareholders (As of December 2022)

Classification	Shareholding ratio (%)		Remarks
Namho Kim	9.01	23.1	Largest shareholder
Joonkee Kim	5.94		Related party (Family relatives)
Joowon Kim	3.15		
DB Kim Joon Ki Cultural Foundation	5.00		Affiliated not for-profit organization
National Pension Service	10.30	-	Pension fund

※ Based on total issued shares (70,800,000 shares)

DB Insurance's Value Creation Activities and Performance for Local Communities

DB Insurance defines the community as any individual or group directly or indirectly affecting and being affected in the area where DB Insurance operates business. DB Insurance is conducting various value creation activities to participate in solving social and environmental problems affecting the local community, and aims to fulfill its role as a corporate citizen through such activities so that people in the community can live happier and more prosperous lives. Accordingly, we are striving to continuously communicate with the local community by promoting strategic social contribution programs related to our main business, sponsoring sports activities, and engaging in public interest activities.

Community Communication Channels | Social contribution activities, sports sponsorship, public interest activities

2022 KEY FIGURES

Contract Premiums of Environmental Liability Insurance	Revenue from Responsible Investment Management	Number of Yellow Carpets Installed
KRW 56.6 billion	KRW 92.1 billion	100 pieces

Environmental Management

Environmental Management Principles and Strategies

DB Insurance has established a mid- to long-term environmental management strategy based on three environmental management principles. In order to efficiently implement mid- to long-term strategies, we have established environmental management guidelines to encourage sustainable use of resources. We are also making active efforts to minimize the environmental impact from our business activities.

DB Insurance's Three Principles of Environmental Management

- Specialization of environmental risk management
- Minimization of environmental footprint
- Expansion of green finance and environmental projects

ISO 14001 Certification

In 2008, DB Insurance acquired ISO 14001, an environmental certification issued by the International Organization for Standardization (ISO) to manage environmental risks efficiently. We laid the foundation for eco-friendly management by preemptively establishing an environmental management system, and are striving to advance our environmental management system by actively carrying out environmental expert training (e.g., ISO 14001 Environmental Management System Auditor) and climate change risk innovation tasks (e.g., heavy rain risk management).

Climate Change Adaptation

2050 Carbon Neutral Implementation System

Based on the 2030 national carbon emission reduction target (24.4%), DB Insurance has established and is operating the "2050 Carbon Neutral Promotion System," which aims to reduce CO_2 emissions by 25% from the level of 2020 until 2050. To achieve this goal, we are implementing various greenhouse gas reduction activities in the two areas of environmental risk reduction (Mitigation) and climate change response (Adaptation) led by the Environment Division of the Sustainable Management Working Group.

Goal — Reduce CO_2 emissions by 25% compared to 2020

Mitigation of Environmental risk	Adaptation to climate change
• Implement greenhouse gas-reducing activities	• Develop eco-friendly products and services
• Expand eco-friendly investment (asset management)	• Respond to environment-related legal/regulatory risks
• Distribute low-carbon models across the insurance group	• Expand support for social classes vulnerable to climate change
• Establish a cooperative system with global organizations	• Implement climate change adaptation activities with stakeholders

Climate change risk management

DB Insurance considers climate change risks in its investment by applying ESG standards. In particular, in 2019, we announced coal phase-out investments for the first time in the private financial sector in Korea. Since then, we have not made any coal-related investments. Meanwhile, DB Insurance operates the Natural Disaster Risk Assessment System, which extracts big data from the Korea Meteorological Administration and combines it with GIS. The system evaluates the disaster risk exposure occurring from climate change by each region and utilizes those results for insurance contracts and customer consulting purposes. In the event of a natural disaster, a dedicated damage adjustment team is promptly dispatched to the disaster area to prevent the spread of damage. The team then proceeds with a scrutinized damage adjustment and makes prompt payment of insurance money to the customers.

Reduction of GHG Emissions

Direct GHG Emissions (Scope 1) – Gas and Fuel

Major sources of direct GHG emissions are absorption type water coolers and heaters, emergency generators, air-conditioners and heating boilers and corporate vehicles. We are striving to reduce GHG emissions through various activities, including air conditioning/heating temperature caps.

Direct GHG Emissions (Scope 2) – Electricity

We have replaced conventional lighting, the major source of electric power consumption, with LED lamps to reduce indirect GHG emissions. In addition, our employees also actively participate in power-saving campaigns such as light turn-offs during non-business hours.

Others Indirect GHG Emissions (Scope 3) - Business Trip Distance

At DB Insurance, based on our out-of-city business trip management system, we identify and manage business-related opportunities and risks that have an indirect impact on climate change.

Energy Management

We have set specific energy consumption targets by category, and are measuring the performance of nine corporate buildings and leased offices across the country to minimize GHG emissions by area. For the calculation of emissions, we apply coefficients outlined in the IPCC GL 2006 ("2006 IPCC Guidelines for Compiling a National Greenhouse Gas Inventory"), which is published by the Intergovernmental Panel on Climate Change (IPCC). GHG emissions from sales branches and overseas offices are excluded.

Our main energy source is electricity, and other than that, we also consume LNG, diesel, and petroleum for heating and emergency power generators. Energy consumption was calculated in accordance with the energy calorie conversion standards that can be found in the table attached to the Enforcement Rule of the Domestic Energy Act, which was revised on December 30, 2011. We have not yet implemented self-power generating practices through the installation of renewable energy generation facilities, but we plan to introduce new and renewable power-generating facilities in our key buildings, with consideration for market growth and the declining price of power-generating facilities.

Waste Management

DB Insurance strictly differentiates and manages recyclable and landfill waste. As most waste from our office buildings are outdated and old office supplies, we focus on recycling these supplies to reduce waste, while establishing an eco-friendly work environment with the introduction of IT-based work systems that do not produce such waste.

Environmental Data

Index		Unit	2020	2021	2022
Energy consumption	City gas	Nm^3	1,078,255	1,101,803[4]	1,166,572
	Diesel	L	70,689	75,770[4]	81,146
	Gasoline	L	80,047	57,394	62,428
	Electricity	MWh	48,214	48,923	49,649
GHG emissions[1]	Scope 1 : city gas, diesel, gasoline	$tonCO_2eq$	2,751	2,758[4]	2,927
	Scope 2 : electricity	$tonCO_2eq$	22,477	22,808	23,008
	Scope 3 : business trip distance	$tonCO_2eq$	241	144[4]	187
Waste management[2]	Landfill waste discharge	Ton	1,194	1,168	1,178
	Recyclable waste discharge	Ton	1,066	874	929
Water[3]	Water usage	m^3	405,991	350,614	350,887
Domestic business trip distances	Bus transport	km	2,369,347	1,409,216	1,836,697

1) Total of nine office buildings and rental offices owned by DB Insurance
2) Data management through waste disposal company
3) Water usage and water intake managed in the same way
4) Clarification of past year data and revision of figures according to changes in internal calculation standards

Expansion of Eco-Friendly Products

Environmental Liability Insurance

Under the "Act on Liability for Environmental Damage and Relief Thereof", DB Insurance developed "Environmental Liability Insurance"[5] together with the Ministry of Environment to create the world's first compulsory insurance compensating environmental pollution liability. To control environmental risks, we developed voluntary insurance with additional coverage for damage over the coverage limit of the compulsory insurance. Furthermore, we have been regularly rendering consulting services and training to companies subject to environmental liability insurance. By operating a dedicated web-based one-stop service, we have been carrying out activities to reduce and prevent risks arising from environmental pollution due to harmful substances.

Our efforts have been selected as exemplary cases at the UNEP (United Nations Environment Program) Asia-Pacific Annual Meeting in 2017 and 2021 and the China Insurance Product Association conference in 2019, which led to us being recognized for our achievements in introducing environmental liability insurance. Furthermore, in 2022, we were re-selected as the "Environmental Liability Insurance Company for 2022 (3rd phase)" based on excellent human and physical infrastructure for stable business operation, and established ourselves as Korea's prominent non-life insurance company operating eco-friendly products.

5) Environmental Impairment Liability (EIL) Insurance: Environmental Impairment Liability (EIL) Insurance is liability insurance that covers physical disabilities, property damage, pollution removal costs, and other legal costs incurred by a third party due to environmental pollution. It was developed to prevent corporate bankruptcy as a result of compensation for damages, and to provide speedy compensation and relief to victims where proving damages is difficult and litigation is exorbitantly expensive. In July 2016, this insurance became mandatory

Facilities that must be insured

Air quality	Class 1 & specific air pollutant emission facilities
Water quality	Class 1 & specific water pollutant discharge facilities
Waste	Designated waste disposal facilities
Soil	Facilities designated by Presidential Decree : oil pipelines, petroleum manufacturing & storage facilities with 1,000kℓ or more storage capacity, and facilities required to file risk management plans
Hazardous Chemicals	Facilities designated by Presidential Decree: facilities required to file risk management plans
Marine	Same as facilities specified in legislation

※ Relevant laws : Act on Liability for Environmental Damage and Relief Thereof

EIL Insurance Coverage

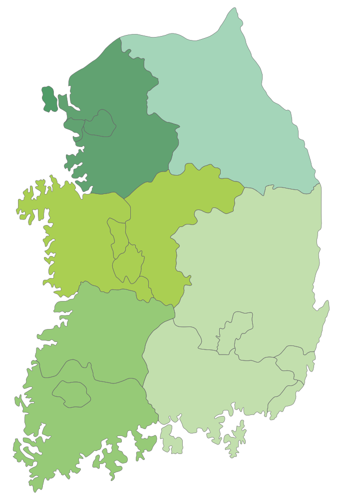
Damage Covered by Insurance

Environmental pollution arising from the installment/operation of the facility stated in the insurance policy, for which the insurance purchaser has to compensate the victim, in accordance with the law, during the period of insurance

1. Legal damages
2. Cost of damage prevention (excluding pollution cleanup costs within the business site)
3. Cost of litigation, attorneys' fees, and cost of arbitration, settlement, or Mediation
4. Deposit guarantee insurance premium

Status of Environmental Liability Insurance accounts by Region

(Unit : case)



Region	2020	2021	2022
Metropolitan area	6,319(46%)	6,399(44%)	6,470 (44%)
Chungcheong area	1,624(11%)	1,631(11%)	1,688 (11%)
Yeongnam area	4,705(33%)	4,890(33%)	4,955 (33%)
Honam area	1,430(10%)	1,444(10%)	1,526 (10%)
Gangwon-do	235(1.6%)	238(2.0%)	240 (2%)

※ The percentage in brackets refers to the regional proportion accounting for the total national figure.

Contract Premiums of Environmental Liability Insurance

100%

2020	Total: 14,313 100%	Total: KRW 74.3 billion 100%
2021	Total: 14,602 100%	Total: KRW 719 billion 100%
2022	Total: 14,879 100%	Total: KRW 56.6 billion 100%

Performance of Eco-friendly Insurance Product (Unit : case, KRW million)

Insurance		Type	Number of Contracts	Revenue (DPW)
Car insurance	Evergreen Special Coverage	Reducing carbon emissions	3,373,883	2,430,958
	Special contract for Mileage	Reducing carbon emissions	3,071,341	2,390,882
	Special contract for Safe Driving UBI	Reducing carbon emissions	727,129	480,298
	Special contract for Electric Vehicle	Reducing carbon emissions	84,670	77,076
	Special contract for Car Weekday	Reducing carbon emissions	3	2
General insurance	Environmental Liability Insurance	Eco-friendly	14,897	28,131
	Environmental Pollution Liability Insurance	Eco-friendly	5	241
	LNG power plants dedicated Insurance	Eco-friendly(low-carbon power)	1	3,697
	Promy Public Bicycle Total Insurance	Eco-friendly	30	744
	Offshore Wind Power Plants and Machinery Total Insurance	Eco-friendly	-	-
	Solar rental business liability insurance	Eco-friendly	-	165
	Solar Total Insurance	Eco-friendly	-	1,630

Compliance with the Responsible Investment Principles

When making investment decisions, we adhere to principles of responsible investment centering on both financial and ESG (environmental, social, and governance) factors.
By conducting a negative screening on potential investees in accordance with our self-developed internal screening standards, non-ethical companies and companies that do business in gambling, tobacco, or alcohol are excluded from our investment targets. On the other hand, investments in environmentally friendly companies and ethically transparent are expanded. After declaring "coal-free finance" in 2019, a first for private financial companies in Korea, we have been concentrating our investments in renewable energy projects such as SOC projects and ESG bonds. In 2020, seeking new investment opportunities to create social value, we participated as a major investor in a small- and medium-sized solar power fund.
As a result of our efforts, the profitability of socially responsible investment accomplished a high rate of 4.1% in 2022, exceeding the company's asset yields.

Socially Responsible Investments (Unit : KRW 100 million, %)

Category		2020	2021	2022
Renewable Energy	Scale of Operation	6,976	7,960	7,793
	Revenue	289	285	338
	Rate of Return	4.2	3.6	4.3
Green (eco-friendly) power generation	Scale of Operation	6,947	6,875	6,019
	Revenue	308	251	280
	Rate of Return	4.4	3.7	4.7
SOC	Scale of Operation	9,980	9,339	8,687
	Revenue	426	379	303
	Rate of Return	4.3	4.1	3.5
Total	Scale of Operation	23,903	24,174	22,499
	Revenue	1,023	915	921
	Rate of Return	4.3	3.8	4.1

ESG Investment Process

Establish an investment plan → Business unit screening → Analyze investment risks → ESG evaluation → Execute investment

Enhanced Disaster Response

Development of disaster liability insurance product (compulsory insurance for disaster-vulnerable facilities)

As the "Framework Act on the Management of Disasters and Safety" became effective, 19 types of facilities classified as exposed to a high risk of disasters required mandatory insurance coverage. Given this background, DB Insurance developed and launched a new type of disaster liability insurance. Under the principle of absolute liability, even if the insured is not at fault, they became liable to compensate for victims' losses, thereby providing prompt and practical relief.

Key Product Features

Category	Target Facilities	Number
Reference rate	Museums, galleries, science museums, libraries, funeral halls, restaurants, apartment housing under 15 stories (including rental apartments, terraced houses, multi-unit housing), accommodation	8
Reinsurer-negotiated rate	Racetracks, off-track betting sites, passenger vehicle terminals, gas stations, warehouses, bicycle race tracks, regattas, display facilities, underground shopping centers, international conference facilities	11

- Applicability : 19 types of facilities with a high risk of disasters
- Risks : to a third party's life, body, and property due to fire, explosion, or collapse occurring in disaster-prone facilities (Article 76 of the Framework Act on the Management of Disasters and Safety)

Other Disaster-related Insurance Products

Fire insurance
The special contract for earthquake risks provides indemnity for fires or losses incurred by burn damage, collapse, destruction, being buried, loss prevention, and emergency evacuation as a result of earthquakes or eruptions. The special contract for storm and flood damage provides compensation in case of typhoons, tornadoes, storms, tempests, floods, tsunamis, inundation, and similar damage.

Storm and flood damage insurance
This insurance product has been developed to enable quick and substantial recovery from property losses incurred as a result of storm and flood damage, such as from typhoons, floods, torrential rain, tsunamis, strong winds, storms, and heavy snowfall.

Crop insurance
This insurance product has been developed to address the management uncertainties experienced by farmers, and to help stabilize their income. The contract mainly covers hurricanes, hail, and localized torrential rain, and special contracts, which can be selected by farmers, cover damage from various other causes, such as frost in spring and autumn and unusually cold temperatures.

Establishment of a company-wide disaster response system

Our next-generation disaster recovery system ensures business continuity in our customer services, even in the event of an emergency, and we carry out regular simulation training for disaster and IT failure recovery to reinforce our emergency response capability. In addition, we are expanding the number of tasks and branches subject to disaster response and upgrading the company-wide response system through continuous management and inspection of the IT system.

Disaster response training

Programs	Details	Cycle
BCP drill	• Review the feasibility of initial and emergency responses, work resumption, and disaster recovery plans, and identify areas for improvement (IT sector, 2016)	Annual
Drill to handle open webserver hacking	• Detect and block attacks on open servers, such as web and e-mail servers, after scanning the servers to identify weaknesses	
Drill to handle malicious code·email hacking	• Detect, block, and remove malicious code after distributing e-mails with simulated malicious code to employee e-mail accounts	
Anti-DDoS drill	• Emergency responses to electronic infiltration such as hacking and DoS (Denial of Service) attacks	
Disaster/ accident restoration drill	• Establish a business continuity plan for emergency events such as disasters, in order to prevent interruption of operations • Verify the suitability of recovery system operation/ recovery processes, as well as system transition, in case of emergency • Check the maintenance of emergency contact systems via surprise drills • Check the adequacy of the disaster recovery procedure and organization, ensure full awareness of team/ individual duties through mock drills, and improve system recovery technology • Check whether affected workers can resume activities and define additional resources necessary for recovery • Comply with Article 23 (Establishment and Operation of emergency measures) of the Electronic Financial Supervision Regulation • Conduct drills at least once a year	Semi annual
Backup outcome simulation	• Verify the adequacy of backup system operations and backup recovery plans • Verify the recovery time and integrity of backup data • Check the adequacy of backup recovery procedures and organization • Ensure full awareness of team and individual duties through mock drills, and improve system recovery technology	
IT failure-handling drill	• Verify adequacy of failure response for key systems through periodic failure drills • Check the adequacy of failure drill scenarios, detailed recovery procedures, and response organizations • Ensure full awareness of duties through failure drills, and improve system recovery technology for the same or similar failures • Reduce the recovery time for anticipated failures through failure response drills for critical tasks	

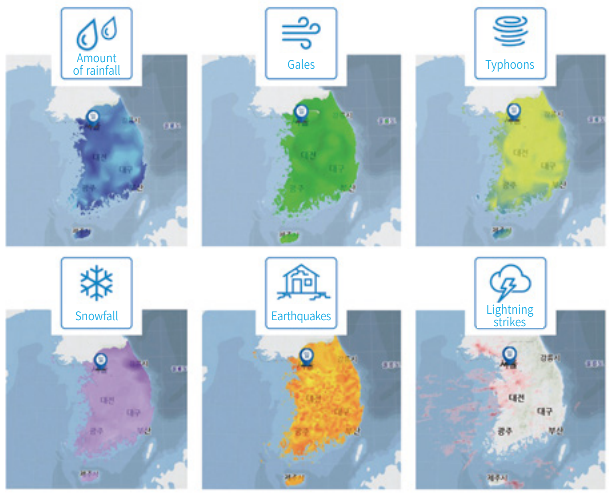
Establishment of Big Data-based climate change risk analysis system

In 2020, we developed a general insurance natural disaster risk (6 types) analysis system that extracts Big Data from the Korea Meteorological Administration and combines it with GIS mapping technology. We utilize the system for our insurance contracts and customer consulting purposes. In the summer season (from July to August), when damage from heavy rain or typhoons is concentrated, intensive guidance on preventive measures against natural disasters is given to business sites and customers at high physical risk in order to reduce the losses of the local community and protect public safety. Going forward, we have established a location-based flood trace map system that has reflected the public data of flood trace information provided by the Korea Land and Geospatial Informatix Corporation in GIS and used it for underwriting and risk management of flood risk.

Seasonal Natural Disaster Prevention Guidance Activities

Category	Before summer	During Summer	After summer
Disaster safety guide (Distributed to employees/on site)	2022 summer weather forecast and risk management research data	Guidance on typhoon routes and preparation measures, information on regions where heavy rain is expected and how to prevent damage	Sharing best response practices
Disaster Prevention Consulting service and customer guide	Select high-risk groups of climate change (through Big Data analysis and collaboration with U/W, etc.)	Expand disaster prevention consulting service (add new/renewed business sites)	Recurrence Prevention Consulting service (for business sites where disasters occurred)

Six major climate change risks

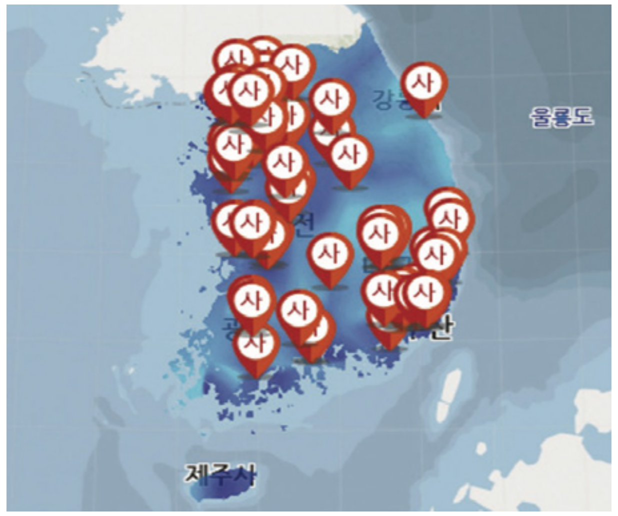


Example of applying natural disaster risk rating guideline

Category	Maximum observation	Description	Grade
Amount of rainfall	86	Maximum rainfall per 1 hour for the area (mm/hr)	B
Gales	29	Maximum instantaneous wind speed during non-typhoon season in the region (m/s)	S
Typhoons	27	Maximum instantaneous wind speed during typhoon season in the area (m/s)	S
Snowfall	24	Maximum snowfall in the region (cm)	S
Earthquakes	2.8	Largest earthquake near the region (Magnitude)	A
Lightning strikes	116	Number of lightning strikes observed within a radius of 3 km	A

※ Flood damage risk level
S : Very low, A : Low, B : Moderate, C : Dangerous, D : Very dangerous

Risk Relationship between Insurance Accidents and Summer Rainfall



Social Contribution

Under the vision of a "global insurance group pursuing a happy society with customers," DB Insurance fulfills its corporate social responsibility through the operation of social contribution programs related to its main business, and actively practices sharing for the local community to conduct social contribution activities that pursue win-win (coexistence) with various stakeholders. In particular, to expand the social contribution activities participated in by our employees and sales family, we launched the Promy Volunteer Group in 2006. Headed by the CEO, volunteer groups have been established in 29 locations across the nation. Since 2015, we have been implementing systematic social contribution activities by carrying out diverse volunteer programs at a sales department level through the Promy PA Volunteer Corps.

Social Contribution System

VISION	A Global Insurance Group which Pursues a Happy Society with Customers
SLOGAN	A Promise to Protect Family Love

Business-based Social Contribution Programs	Carrying out social responsibility activities (e.g., for children, safety, finance, etc.) related to the main business • Installing Yellow Carpets for children's traffic safety • Hosting a global finance exploration program • '1 company 1 school' financial education for youth
Sharing with Local Communities	Expanding tailored social contribution activities to create value for local stakeholders • Sponsored activities for hearing impaired Schools • Local social contribution activities in the Promy Basketball Team's hometown (Wonju City)
Expanding the Participation of Employees and Sales Partners	Raising awareness of the fulfillment of social responsibilities and conducting activities to promote social contribution • Employees' volunteer activities through the "Promy Volunteer Corps" • 'Sharing Love' volunteering activities centered on our sales family • Global social contribution activities

Major Social Contribution Activities

Yellow Carpet for Children's Traffic Safety

"Yellow light of hope lights the road to protect children's traffic safety"

Ongoing yellow carpet campaigns in connection with our main business

This type of social contribution activity is aligned with our area of business, so we have been fully sponsoring the campaign since 2016 with the purpose of preventing accidents involving children who are vulnerable to traffic safety or accident.
The "Yellow Carpet" campaign was launched to prevent child traffic accidents caused by drivers failing to see children suddenly running into the crosswalk. As the name suggests, Yellow Carpet means a waiting area before the crosswalk, and the yellow-marked safety signs on the ground or walls guide children to wait in a safety zone before crossing so that drivers can easily see when they are there. First initiated by the International Child Rights Center, the Yellow Carpet campaign is being implemented across the country under the leadership of Green Umbrella ChildFund Korea with the cooperation of numerous sponsors, including DB Insurance, local government authorities, and schools.
The Yellow Carpet installation was found to have a practical effect in preventing traffic accidents where 70%[1] of drivers visibly recognized those areas, resulting in reduced vehicle speeds.

Yellow Carpet Installations by Year (Unit : location)

Year	2016	2017	2018	2019	2020	2021	2022	Total
Amount	35	168	134	126	180	100	100	843

Yellow Carpet

Installation and repair of 843 yellow carpets in elementary schools across the country

Since starting the yellow carpet campaign, new yellow carpets were installed in 687 locations near elementary schools nationwide and 156 yellow carpets were repaired by 2022. In 2022, 50(cumulative 85 locations) new yellow pedestrian crossing parasols were installed, while safety education contents were produced and distributed. A yellow carpet project report was published in the form of a manual and shared with stakeholders as well. To help the campaign accomplish practical and substantial effect, we distributed online traffic safety educational materials (e.g., educational videos, magazines, and activity reports) to elementary schools that had installed yellow carpets and encouraged participation by holding photo events on social media. Going forward, together with TS Korea Transportation Safety Authority and ChildFund Korea, we are building diverse communication channels utilizing research, seminars, and discussion forums to verify and further improve the effectiveness of the yellow carpet campaign. In 2023, we constantly expand the installation of safety facilities that ensure the traffic safety of children while striving to improve drivers' awareness of children on the road.

1) Road Traffic Authority (2016), "A Study on Effect of Yellow Carpet Installations"

Yellow Parasols

Transportation and Environment Challenge

"Promoting New Changes Together with Social Ventures Operating in Transportation and Environment Sectors"

Creating social values by supporting social venture Companies

The DB Damage Insurance Transportation Environment Challenge is a differentiated social contribution program that provides funding and accelerated support for corporate growth to social ventures in the transportation and environment fields. We have successfully identified and nurtured a total of 20 social ventures from 2019 through the 1st, 2nd, and 3rd periods until the 4th period in 2022.
This project is operated with the goal of supporting social ventures in the transportation and environment sectors that can actively solve social problems through planning and operation centered on "creation of social outcomes," through which we are promoting the creation of a sustainable social venture ecosystem. Accordingly, DB Insurance is supporting various programs (professional accelerating training, 1:1 mentoring, etc.) to strengthen the business capabilities for selected social ventures, along with business cost support. We also operate follow-up support programs so that these capabilities can lead to actual business results.
As a result of these efforts, a total of 55 new jobs have been created so far, and since participating in the project, we have achieved business results with an average sales increase of about 317%. This project has been recognized for its effectiveness in 2022, as the sales of participating companies have grown by 392% (the 4th transportation and environment challenge).

Transportation and Environment Challenge 4th Social Ventures' Conference

2022 performance

Growth in sales	392	%
New hires	10	people

General Social Contribution Programs

Business-based Programs

DB Finance & Economics Contest

Over the past 12 years, we have been hosting the "DB Finance & Economics Contest" along with our affiliated non-public foundation under the theme of fostering global talent. University students in related studies are eligible to apply for this contest. For winners who have presented creative and practical ideas, we offer numerous benefits, including scholarships, global finance tours, and document screening exemption when applying for DB group jobs.

"One Company for One School" Financial Education for Youth

Since 2015, DB Insurance has established sisterhoods with elementary, middle, and high schools across the country and has been conducting "1 Company 1 School Financial Education" for youths about good financial skills that will help them in life. As of 2023, the financial education program, which consists of school visits by external instructors, the presentation of a financial musical, and flexible-year financial education in middle schools, is conducted through sisterhoods with about 117 schools across the country.

Partnership Agreement on Financial Education for the Vulnerable

In order to protect the rights and interests of financial consumers and fulfill our social responsibilities as a corporate citizen, DB Insurance signed the Partnership Agreement on Financial Education with the Korea Retired Financial Association. Through the agreement, DB Insurance continues to plan and carry out various educational programs such as education on prevention of financial accidents for seniors, basic financial education for North Korean defectors and multicultural families to settle in the South Korean life, and financial life support education for vulnerable groups such as single-parent families, boys and girls who are the heads of their families, and the disabled.

Startup Support Program

Promote "GREEN WITH YOU" Program to Support Environment-related Startups

DB Insurance's "GREEN WITH YOU" is a social contribution program for sustainable development that contributes to solving environmental and social problems and create social values by discovering, supporting, and nurturing social ventures that have innovative business solutions for environmental and social issues. In 2022, we selected six social ventures to provide support funds for business revitalization and customized acceleration support (e.g., ESG management, legal affairs, tax affairs, accounting, marketing, etc.). We also provided corporate consulting programs for continuous growth and networking. We plan to support follow-up programs in the future, such as providing social value measurement and evaluation report for each company.
DB Insurance expects that the "GREEN WITH YOU" program will serve as an opportunity to respond to the climate crisis and find sustainable development plans, and to this end, it will expand support for various social value creating activities of social ventures. As a company, we hope to contribute to solving environmental and social problems.

Global Startup Challenge

Together with its affiliated public service corporations and Seoul National University, DB Insurance held a global startup challenge that targets major universities in Asia. The "DB-SNUbiz Global Startup Challenge" is an international competition for college students from Asian countries to realize the dreams and ideals of university students who will lead the future with new businesses and technologies, and to actively support participating students to grow into global leaders through the spread of entrepreneurship culture and the discovery of excellent entrepreneurs.

Community Contribution Program

Conducted CCTV Installation for Crime Prevention and Victim Protection

In 2022, we carried out a program to install CCTVs for crime prevention and victim protection through agreements with the Jeju Police Agency, Northern Gyeonggi Police Agency, Daegu Police Agency and Gangwon Provincial Office, installing about 1,300 CCTVs for personal protection. These CCTVs have been highly effective in preventing crimes and were greatly welcomed by citizens. As a result, requests for additional support from local governments and the National Police Agency are increasing. DB Insurance plans to further strengthen protection and support for crime victims nationwide.

Covering the Treatment of Rare and Incurable Diseases

DB Insurance donated KRW 30 million to the Korean Organization for Rare Diseases on May 3 to support children with rare and incurable diseases. The money delivered for their treatment was significant, as it was collected through the "donation through customer participation" in which DB Insurance's customers automatically participated in the donation when they used the insurance contract service through the mobile app and website from Dec. 28, 2021 to Jan. 31, 2022. DB Insurance has provided a total of KRW 410 million in donations for the treatment of 163 child patients suffering from rare incurable diseases and their families over the past twelve years. The company continues to support the Wonju DB Promy Basketball Team by inviting the families of the patients to its games.

Supporting Scholarships to Chungju Sacred Heart School

On June 14, DB Insurance held a ceremony to deliver a scholarship of KRW 20 million to students from poor families at Chungju Sacred Heart School in the presence of DB Insurance employees and Chungju Sacred Heart School faculty and baseball team. DB Insurance delivered a total of KRW 250 million in donations and scholarships on 30 occasions over the past 10 years. The donations and scholarships provided in this way are used not only to support the baseball team's activities, but also to help students from poor families work toward their dreams and overcome challenges. Since the establishment of the sisterhood between DB Insurance and Chungju Sacred Heart School, a school for the hearing impaired, in 2013, DB Insurance has been striving to raise social awareness and improve the treatment of the disabled, and has continued sponsoring activities such as supporting winter training expenses for the baseball team and inviting students to watch Wonju DB Promy Basketball Team's game.

2022 Global Finance Tour of DB Finance & Economics Contest

'GREEN WITH YOU' Orientation

Business agreement ceremony for CCTV support project for crime prevention

Donation of medical expenses for children with rare and intractable diseases

Value Creation Activities and Performance for Partners

Our partners that deliver products and services of DB Insurance to customers quickly and accurately are divided into sales partners who sell products and services, and compensation partners who handle compensation for covered accidents. The passion and dedication of our partners is the main reason why DB Insurance has been able to exceed 10 million in the number of its customers since its foundation in 1962. DB Insurance continuously communicates with partners to create greater value and provides all possible support to bolster their competitiveness. We have built a strong foundation for a win-win cooperation system with our partners through various communication channels to listen to the voices of the field, including professional competency training for the partners.

Partners Communication Channels | On-site PA communication channels/ Sales personnel TV

- DBRT (DB Round Table) · Seminar
- DP (DB Partner) meeting
- Partnership conference with partner repairers
- Medical advisory (specialist doctor) network

2022 KEY FIGURES

Number of Prime Agents	Number of Prime Agents honored with Blue Ribbon	Satisfaction of Sales Partners
18,110 people	594 people	66.5 points

* Blue Ribbon : The highest honor given to an exemplary PA out of the PAs granted excellent certifications for 5 consecutive years

Business Partners

Composition of our partners

Partners of DB Insurance are largely divided into sales partners, who sell the company's products and services, and compensation partners, who deal with compensation for covered accidents. Sales partners consist of 'exclusive channels' such as exclusive planners, called Prime Agents (PAs) and insurance agencies, 'non-exclusive channels' such as corporate agents, called General Agencies (GAs), and cross-over planners entitled to sell life and general (non-life) insurance products.

We are strategically diversifying our channels based on characteristics such as complex models, including Total Consulting (TC) and Life Design (LD) channels, as well as traditional face-to-face sales and telemarketing (TM) channels. Compensation partners include hospitals, car repair shops, and damage appraisal firms, which ensure a smooth claim adjustment process for customers. At DB Insurance, we recognize our sales and compensation partners as core stakeholders and an important backbone of our business activities. As such, we are committed to creating value for win-win growth with our partners.

Sales Partners

Exclusive channels	Non-exclusive channels
PA An exclusive planner who can only sell DB Insurance's insurance products **Insurance agency** Insurance agents who can only sell DB Insurance's insurance products through an exclusive contract with DB Insurance	**GA** Non-exclusive insurance agency and financial institution who can sell all insurers' insurance products **Cross-over planner Life insurance exclusive planner** Who mainly focuses on life insurance planning but can also handle non-life insurance products

Claim Adjustment Partners

Accident investigators/ Damage appraisers
a firm that conducts accident investigations for car, long-term, and general insurance and insurance damage appraisals

Hospitals
An institution that provides insurance accident-related medical services and conducts diagnoses of medical issues

On-site/emergency dispatch service providers
A service provider that is dispatched to traffic accident sites, for emergencies such as vehicle failure

Promy car service centers
Domestic car repair partner that has passed a review by DB insurance

Bolstering partners' competency

In order to enhance the professionalism of insurance planners and business managers, we have introduced differentiated training programs considering the characteristics of their work.

The company conducts sales promotion training for planners based on the years of their employment and income. Through this, we are providing various curricula, such as customer consulting education based on product trends and disease information. We have also implemented non-contact education through the "DB learning platform," a smart learning system that enables insurance planners, training managers, and business managers to gain expertise through customized and self-directed learning programs. Taking advantage of this platform, trainees were able to enjoy high-quality educational content despite time and space restrictions. This eventually led them to adapt to self-directed learning, and educational opportunities became available for all PAs.

In addition, the "Flip Learning[1]" process, a program that combines online and offline learning, maximizes the learning effects by providing an educational program centered on interaction among participants after prior learning of core concepts.

1) Flip learning (reverse order) : a process leading to interactive group education based on learning results of online pre-learning

Main Curriculum

Insurance Planner	Training personnel	Business manager
• Core competency-oriented training for new recruits • Enhance mobilebased customized PA training • Strengthen specialized training in accordance with organizational characteristics	• Standardize work and strengthen competency in training personnel • Strengthen the competency of training coaches, based on their career and characteristics • Strengthen the competency of branch mentors for activity coaching	• Core competency-oriented manager training course • Business manager training to strengthen task execution • Expand foundation for self-directed learning by business managers

Systematic training for new planners

Recognizing that the competency of planners is directly linked to the company's growth, DB Insurance runs various programs for new planners to promote their activities and stable development.

Programs Managed by HQ

Period	Program	Contents
Employed for 5 months	Customer Retaining Process	• Understanding auto insurance • Use of consulting tools • Auto insurance compensation actually processed
Employed for 7 months	Consulting Specialist Course	• Big Data Coverage analysis, consulting card utilization • Understanding products from competitors • Disease information AP
Employed for 9 months	BTS Seminar (Those who achieve the standard)	• Latest insurance trends • Raise a sense of challenge • 2 major diseases (brain/heart) analysis
Employed for 12 months	Dream Big (1st anniversary)	• Celebrarion • Core product learning • Establishment income vision
Employed for 4 or 13 months	Income increase	• Big Data customer analysis • Establishment an income growth plan
Employed for 2 years	Market Expansion Program	• Big Data customer analysis (Advanced) • Customer management skill
Employed for 5 years	DBRT Challenge	• Expansion of the VIP market • Lifetime medical cost consulting • Inspiring a sense of challenge in Vision club

Programs Managed by Business Groups

Period	Program	Contents
M13 -	Productivity boost course for existing PAs	• Insurance market trends • Consulting for the 3 major illnesses • Customer analysis and T/A speech
M5-18	Step-Up Course	• Continuous activity management and offering of diverse activity issues
M1-4	Practical Training Course	• Learning about key products, customer management, and basic speech skills • Field Training Course
M (month) 0	Basic Training Course	• Understanding the insurance business and products, PA ship (e.g., acquiring non-life insurance qualifications, customer identification) • Basic Training Course

Reinforcing support for insurance planners' sales activities

To help insurance planners effectively perform customer-facing activities, we provide various tools and content.
We provide study books and proposals that summarize the major diseases specified in the Terms and Conditions of the insurance contract so that insurance planners can explain various information to our customers. Since 2018, through the 'DB Smart Portal', we have been supporting one-stop business processing from customer registration, subscription planning, electronic signature, and confirmation at the site using a single tablet computer or smartphone. In addition, through the "Smart Insurance Analysis Service," we were able to significantly improve PA's customer management by providing "1 minute consulting," which allows customers' confirmation on insurance subscription details and automatic insurance planning.
Thanks to these activities, in 2022, a total of 3,347 (excellent certification) and 594 (blue ribbon) PAs of DB Insurance obtained excellent Certification[1] and Blue Ribbon[2] by the General Insurance Association of Korea.

1) Excellent certification : Grants qualification of a certified insurance planner under an overall evaluation of the working period at the same insurance company, retention rate of new contracts, performance, and the number of incomplete sales
2) Blue Ribbon : The highest honor given to an exemplary PA out of the PAs granted excellent certifications for 5 consecutive years

Enhancement of support for customer activity tools

- Establishment of a procedural basis for contactless activities
- Introduced an automatic visit scheduling system
- Support for Get-in-Touch activities for customers retained in a partner's list
- Introduced a function to transfer coverage analysis reports
- QR code added to product leaflets in insurance plans

Enhancement of customer handling and consulting competency

- Commenced specialized training for each business group/branch

Support for settlement of sales workforce

DB Insurance provides a variety of support programs to assist the sales workforce to concentrate on their jobs, create high- performance results, and settle stably. Regarding the fee, which is the performance compensation for their soliciting activities and part of the system that reflects the company's policy, we frequently share the purpose and direction with the sales workforce through in-house broadcasting and regular training. Fees paid for the performance of newly hired insurance planners have been reinforced, and activity fees have been newly adopted to lay groundwork for constant growth. Furthermore, improvements were made to the criteria of collecting evaluation fees to increase the sales of long-term insurance products that center on efficiency.

Efficient business support by channel

DB Insurance reorganized our branch structures so that they are composed of the standard branch, TC (Total Consulting), and specialized branch and redefined the responsibilities and roles of our staff organizations. Through this, we support the efficient growth of the sales workforce. After the reorganization, we have continued making efforts to maximize the productivity of branches by re-building staff organization operation, differentiating operating cost schemes in consideration of branch characteristics, and improving the business efficiency of branches operating in suburban areas.
To support the insurance planners more efficiently and intensively, we operated separate channels for individual and strategic business sectors, reinforced a fee system for new hires, and adopted an advance payment system. To improve the efficiency of branch operation and increase their sales, we are operating cross-selling centers in insurance hotspots. Based on these support activities, we help our insurance planners manage their customers more effectively and provide optimal consulting services.

1 Standard Branch / TC (Total Consulting)	2 Specialized Branch	3 Cross-selling Branch
Exclusive PA channels, Nurturing PAs with excellent consulting skills	Supporting customer retention and work for CAs and aged PAs	Supporting work in managing cross-over channels

Support women in the workforce on career breaks through LD Center

First launched in 2014, LD (Life Design) Center is composed of women in the workforce in their 30s and 40s who were on career breaks. The center has positioned itself as a specialized sales channel by differentiating the education programs and operation methods compared to the general insurance planner channel. It selects female Prime Agents (PAs) in their 30s and 40s at standard branches for each business group and provides training so they can act as future growth engines for DB Insurance. It also provides high-quality data to support the insurance planning activities and provides training programs tailored to each individual to upgrade their work capabilities. Moreover, all new hires undergo psychological tests to be coached on work adaptation and peer relationships while special lectures including influencers, show hosts, and famous lecturers are held regularly to proactively develop competencies of the young female workforce.
Taking into account the characteristics of its sales workforce where a majority are working mothers, the center manages various welfare programs that support their work-family balance. Considering childcare and housework by working mothers, it adopted customized working hours including flexible working hours and voluntary working hours, and also supports separate human resources, even when there is a work vacancy due to childcare. The center gives childbirth congratulation money and childcare costs for 18 months, as well as eases financial burden arising from childcare by continuing the income level from before childbirth when returning from maternity leave. Also, the LD Center has installed a children's playground in branches, holds Family Day regularly, and runs job experience programs and financial classes.

Providing real-time location of on-site dispatch staff

DB Insurance operates a service through which the route of the on-site dispatch staff and expected arrival time are notified to customers who have requested emergency action due to car breakdown or traffic accident. In the case of emergency dispatchers, since they are given the optimal travel route to the customer's location, work convenience has also been improved due to reduced dispatch time.

Strengthening Mutually Beneficial Cooperation with Partners

Promoting Communication with PAs

By allowing PAs with excellent sales capacity to join our Product Leaders Club, which decides the direction of our product policies, DB Insurance enables the reflection of candid voices from the field. In addition, we broadly utilize the PA Opinions & Suggestions system in our policies and systems. This system serves as a communication channel through which PAs can deliver real-time opinions in the field on matters necessary for improved sales activities. The opinions and suggestions registered in the channel are directly communicated to HQ and relevant departments, and adopted suggestions are reflected in our company's policies and systems.
In addition, to foster smoother communication with our sales partners, we operate various communications channels, such as the DB Round Table (DBRT) seminar, cross-selling team leader course, branch leader mentor course, training coach course, sales team leader course, and TC Center leader course. Additionally, each year, we hold an annual award ceremony and select excellent PAs based on performance evaluations, customer satisfaction, and retention ratio, and induct PAs that have contributed to the advancement of DB Insurance into the "DBRT Hall of Fame," thus promoting the loyalty and pride of our sales partners.

Expanding partnerships with compensation partners

DB Insurance delivers various support, such as selecting excellent compensation partners, to establish a close win-win relationship with its partners. In line with the popularization of the non-face-to-face digital economy, we have been enacting various measures to enhance customer service satisfaction, increase subcontractors' operational efficiencies, as well as realize digital transformation and innovation.
As of 2022, DB Insurance is providing prompt and fair services to customers by signing a damage appraisal service contract with 22 companies. Through the RM (Relationship Management) system, we support partner companies' education and services, and through activities such as holding a vision meeting, we strive to share our core values.
By developing a system that automates accident reporting and accident information exchange for corporate customers, we launched a new service by which automatic linkage of accident reporting for corporate customers enables reduction of accident reporting time, automated submission of compensation documents, and real-time checking of accident information. In addition, by launching the DB T-System, we are continuing our efforts to protect good-faith policyholders and various compensation partners by utilizing a big-data assisted method for analyzing insurance fraud conspiracies.

Data on Our Business Partners

Indicator		Unit	2020	2021	2022
Sales partners	Exclusive planner (PA)	Person	16,642	17,764	18,110
	Cross-over planner	Person	7,704	3,575	3,354
	Individual (non-corporate) agency	Unit	2,445	2,476	2,480
	General Agency (GA)	Unit	1,716	1,758	1,785
	Bancassurance (BA)	Unit	51	50	53
Claim adjustment partners	Emergency dispatch network for vehicle failure	Unit	480	480	474
	On-site dispatch network for car accidents	Unit	363	363	340
	Specialized repair network	Unit	334	334	324
	Accident investigator & damage appraiser	Unit	19	19	22
Franchisee satisfaction index (FSI)		Point	68.2	65.3	66.5
Emergency dispatch service satisfaction		Point	98.5	98.5	98.6
Number of cases handled per claim adjustment partner		Case	322	336	324

Value Creation Activities and Performance for Employees

The driving force behind the growth and development of DB Insurance is its employees. DB Insurance has established the "DB Way" system to create the DB culture in which employees and the company grow together, and is operating a systematic training program based on the "Dream Big" talent cultivation system to improve employee's professional expertise and work capability. In addition, we are trying to create an environment in which employees can concentrate on their work through various systems, including various welfare programs, that can guarantee employees' WLB (work-life balance).

Executives and employees Communication Channels | Dream Big Square · Proposal System · Participation Yard
- Employee Satisfaction Survey (ESI)
- Monthly business performance briefing (Promy TV)

2022 KEY FIGURES

- Work Immersion Score: **81.1** points
- Ratio of Women in Workforce: **57.7%**
- New Employees: **302** people

Human Rights Management

DB Insurance is conducting various activities to protect the human rights of stakeholders such as customers and employees based on its founding philosophy of a “good company,” and is doing its best to “create a corporate culture that respects human dignity” through its code of ethics.

Human Rights Due Diligence

DB Insurance and its subsidiaries conduct periodic due diligence to preemptively respond to potential human rights impacts and risks. The Compliance Department conducts on-site inspections to ensure compliance with the Code of Ethics, while the Human Resources (HR) Department checks for human rights issues through the Corporate Culture Council. Incorporating a whistle-blowing system, we also operate channels that continuously collect information concerning human rights issues and monitor issues related to discrimination such as gender discrimination.

Human Rights Due Diligence Process

STEP. 1

Analyze Potential Risks and Impacts

- Identify potential risk factors in terms of DB Insurance’s management and the insurance industry
- Carry out an impact analysis based on financial factors, non-financial factors, and incidence frequencies

STEP. 2

Identify Assessment Factors and Subjects

- Identify human rights assessment factors in view of the internal/external environment, and vulnerable groups in terms of human rights
- Identify the subjects of human rights assessments across the entire value chain, including subsidiaries, etc.

STEP. 3

Implement Feedback and Improvement Activities

- Share self-inspection results and improvements
- Recommend improvement activities in line with the prio rity of the findings, and iden tify support items

STEP. 4

Legal Review and Self-Inspection

- Conduct an internal legal review
- Conduct a self-inspection (fact-finding survey, etc.) based on public disclosure materials, including business reports, media analyses, etc.

Prevention of human rights violations

We provide training to all employees on sexual harassment prevention, disability awareness, and workplace harassment prevention, and the completion rate of employee training is 100%. In addition, our 24/7 reporting system through social media channels enables rapid response in case of human rights violations. In 2022, there was no case of discrimination or harassment based on various factors such as gender and disabilities in our company.

Respect for Diversity

To respect the diversity of our employees and avoid unreasonable discrimination, DB Insurance states in Article 6 (Employment Opportunity) of our Rules of Employment that “when the Company recruits and hires individuals, it shall not unreasonably discriminate on the basis of gender, age, religion, social status, regional background, educational background, marital status, pregnancy, childbirth, or history of illness” and also that fair opportunities for compensation are provided. As of the end of 2022, DB Insurance’s female employee ratio was 57.7%, accounting for 2,603 out of a total of 4,509 employees (excluding executives).

Identifying and supporting vulnerable groups

DB Insurance conducted research and surveys to identify marginalized groups that are exposed to a high risk of human rights violations. As a result, we have identified employees and partners at customer contact points as vulnerable groups whose human rights are at high risk. Those groups include call center personnel who regularly communicate with customers via phone, and sales and compensation partners, who sell and provide products and services to customers face-to-face. DB Insurance offers a counseling channel to support vulnerable groups such as sales / claim adjustment staffs and partners, and our customer center personnel.

Improvement activities and Remedies by human rights issue

Issues	Improvement activities and Remedies in 2022
Reinforcement of statutory working time management system	• Establishment of an employee support system that includes checkup leave, promotion of annual leave, flexible working system, and mental health services (through psychologist counseling)
Reinforcement of the gender equality system	• Operating women workforce development programs to foster female managers • Developing and training an interview panel that includes female employees
Expansion of the scope of customerfacing employee subject to protection	• Providing protection for all employees who interact with customers - Education on ‘Problem consumer response manual’ - Establishment and implementation of a consumer response system through big data analysis - Operating psychological counseling program - Implementation of a message for incoming callers designed to protect customer service staff (at call centers)

Human Resource Management

Human Resources Vision System

Based on the management principles of the CEO, which consists of the pursuit of facts, mutual communication, and autonomous management, DB Insurance operates a systematic human resource management system and strives to create the “best workplace where the top talents want to work”.

VISION	A Global Insurance Group which Pursues a Happy Society with Customers
Core Value System	3 Spirits, 3 Attitudes CEO Management Principles Key Drivers
HR Vision	Realizing the best workplace where the talented want to work

Job Security for Human Resources

At DB Insurance, we have been converting temporary contract employees to permanent employees in an effort to establish a foundation of job security prior to the enforcement of legislation on non-regular contract employees. Since converting 1,660 TM consultation workers to permanent positions In 2012, we have subsequently been reducing our ratio of temporary positions. As of 2022, DB Insurance’s temporary (contract) employees account for 3.5% of our entire workforce (158 out of 4,509; excluding senior executives).

Dream Big as an Organization Culture

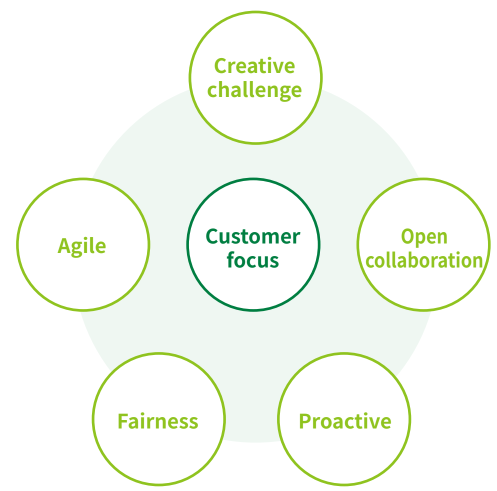
“DB Way” System

In 2022, DB Insurance has derived 6 keywords for corporate culture innovation, and based on the results of diagnosis by area, clarified the direction of DB culture and structured and systematized the DB Way (the way DB employees work).
The DB Way consists of 6 keywords (Customer focus, Creative challenge, Agile, Fairness, Proactive, Open collaboration), and continues to communicate the keywords effectively to employees and encourage their understanding, empathy, and practice.

DB Way System

VISION	**An Excellent Global Company**
MISSION	“With entrepreneurship and innovation, we will become a global professional company in every business we participate in, creating the highest profit rate and growth rate, and will continue to be a company with the best competitiveness in all aspects of business operation.”
Direction of DB Culture	**“Dream with You, DB Culture of Growing Together”** (DB culture where individuals and the company dream together for a better future and grow together)

DB Way



Core Values	Order, Trust, Love Customer value first · Inquiring attitude · Leading by example/Self-control

Corporate Culture Council

DB Insurance operates a Corporate Culture Council that collects complaints from its worksites to reflect them into management activities and runs a workshop led by opinion leaders composed of junior boarders in each business division every first and second half of the year. The corporate culture consultative body, with members selected in January 2022, has been operated in both a face-to-face and non-face-to-face manner every month in consideration of the COVID-19 situation, and based on the various opinions for improvement as collected through the consultative body, practically applicable items are being applied to the field through consultations.

※ DB Insurance takes complaints after listening to employees' opinions every year, and matters discussed at the Labor-Management Council are applied to all employees. (Guaranteed freedom of association in 2022 : 100%)

Employee Engagement Index (EEI) Survey for a better work environment

Since 2018, DB Insurance has been carrying out an annual Employee Engagement Index (EEI) survey to monitor employee work engagement and implement company-wide improvement measures. Through the EEI survey, we collect opinions from each position, division, department, and work category, and thus implement tailored improvement activities to enhance work engagement and productivity.

Employee Engagement Survey Result

Index	Unit	2020	2021	2022
Rate of Industrial Accidents	%	0.02	0.02	0
Welfare and benefit expenses per person	KRW Million	17.1	16.7	16.6
Employee Engagement Index (EEI)	Point	82.7	82.2	81.1

Family-friendly Management

Pursuing Work-Life balance

We operate various support programs to create an environment where employees can focus on their work and to establish a lively DB culture through guarantee of employees' WLB (work-life balance).
In addition to activities such as intensive working hours, a PC-OFF rule, smart meetings, and improving after-work gathering culture, we have introduced the RPA system to automate business processes, for increased work efficiency. Moreover, Family Day, the promotion of the use of annual leave, and summer resort programs have been implemented to allow our employees to have enough time to spend with their families and recharge their energy.

Implementation of a Maternity Protection System

By creating a female-friendly work environment, we provide various supports to enable female employees to continue their careers without interruption.
We provide prenatal check-up leave, maternity leave for spouses, parental leave, and reduced working hours so that employees can focus on childcare, and provide 90 days of prenatal and postpartum leave to help the psychological and physical stability of female employees during pregnancy and childbirth. We support actual medical expenses in case of childbirth and miscarriage to alleviate the financial burden. As a result of this support, 100% of female workers who took prenatal and maternity leave in 2022 returned to work. In addition, we offer quality childcare services for the children of our employees. To create a safe and pleasant childcare environment, we also operate the "Promy Loving Child Kindergarten." This is run by the Puruni Child Care Foundation, which has proven expertise and experience in childcare. As of December 2022, 28 children attended kindergarten. Furthermore, we have adopted a telecommuting system in which female workers can carry out consultations and other services from home, with 36 female workers telecommuting as of December 2022.

Key Family-friendly Management Programs

Program	Details
Children's school expenses	• Kindergarten : KRW 100,000 a month for 2 years • High school : Actual expenses related to entrance fee, tuition, and PTA membership covered up to KRW 1 million per quarter • University : Entrance fee and tuition (full)
Dream Big Plaza	• Employee-only site for sharing GWP activities by department, fun events, core values, corporate culture improvement activities, and social contribution activities
Summer vacation facilities	• A total of 59 vacation facilities across Korea that can accommodate up to 887 persons
Company resorts	• A total of 231 units nationwide
Health checkup for spouse	• Support for health checkup for the spouse of a married employee

Envigorating communication

DB Insurance is operating various programs to encourage free communication not only between the company and the employees but also among employees and organizations, through which it aims to enhance the employees' work efficiency and synergy.

Channel activating communication

Category	Program	Description
Company-Employee	Open Communication (Tong-tong- tong) with CEO	A communication platform between the CEO and employees that have operated monthly since 2010 (Total 66 times with 3,487 employees; activities postpone in 2021 due to COVID-19)
	Diverse Communication Channels	Opinion collection and improvements activities through the diversification of communication channels – such as an anonymous internal forums and anonymous surveys using external networks and reporting channels, etc.
	Corporate Culture Council	Selection of opinion leaders for each division to collect opinions on, and improve, the company's work culture and corporate system
	Promy TV	Weekly in-house broadcasting program for employees, sharing the company's operational direction, key issues, corporate culture, etc.
	Business Performance Briefing	Executive briefing on the status of company management and issues through in-house broadcasting once a month
	E-Promy Plaza	Online magazine for employees, covering key company issues, employee contributions (travel, department introductions, etc.), news on the economy and culture produced by the PR department, etc.
Employee-Employee	CCM Week	Operation of CS activities, guidelines, and programs for internal/external customers Company-wide sharing of corporate culture related matters through Dream Big Times, DB people, etc.
	Dream Big Plaza	A site exclusively for employees for sharing and participating in GWP and club activities by department, Core Values, social contribution activities, corporate culture improvement activities, and various personal hobbies (DB People Story)
	Field Learning Group	Weekly employee discussions to share key issues and strategic directions for each department
	Study Group/ In-house mentoring	Self-development, know-how sharing and promotion of communication among employees with common jobrelated interests
Department-Department	Dream Big Council	Organization for opinion leaders to improve the work culture across the entire company and achieve inter-departmental collaboration through consultation
	Participation Platform	An anonymous survey forum to obtain the opinions of employees when deciding on key systems and policies
	Employee Satisfaction Survey	Internal Customer Satisfaction Index (ICSI) Survey to improve staff department service satisfaction, and an Employee Satisfaction Index Survey (ESI Survey) to determine how to improve work motivation
	Dream Big Times	Monthly company newspaper where we identify and share key issues that we want to share with other divisions, so that all employees can understand the company's strategic direction

Talent Development

Dream Big Talent Development System

“Dream Big Talent Cultivation System,” a unique human resource development scheme, was set to improve employees’ competency and strengthen their job expertise. It is equipped with a training system tailored to each job tier, job duty, and talent to cultivate the best experts armed with professional knowledge and practical experience in the insurance industry. We are systematically strengthening the work capabilities through level-wise common competency and job competency training, and also assist and encourage employees to obtain domestic/overseas professional qualifications, nurturing industry-leading experts.
In addition, to support customized competency development, we are operating a system to achieve the vision of both the organization and the individual based on the self-development plan (SDP) and career development plan (CDP) after individual competency diagnosis.

The Dream Big Talent Development System

Dream Big HR Development Scheme

HR development to foster talent with expert knowledge, techniques, and work experience in the field

Self-Development Plan (SDP)	Career Development Plan (CDP)
Verify specialized work for each department → identify GAP → establish an annual development plan	Select individual career goal → profile position → check work experience

Securing expertise · Developing top talents · Establishing departmental HR development systems · Developing job capabilities

For internal employees		Career development guide	Training systems by division
• 1 person, 1 qualification • Study Group • Professional qualifications	• DB Biz School - introductory (Digital literacy) - Basic(Data analysis) - Advanced (Follow-up)	• Mission and R&R • Job profile • Necessary competencies	• Individual/ GA sales • Claim adjustments and new business • Corporate client sales

Tiered Training System

To help all employees at DB Insurance grow into key leaders within the company, we operate a tiered training system that consists of an introductory course, a course for employees eligible for promotion, a post-promotion leadership course by rank, and a common competency improvement course.

Tiered Training System

Strengthening expertise for each job tier/duty	**Education system by tier for job duties of general and support** Common job competencies ← Group DVP ← Job tier/Promoted employee ← Entry **Educational system by business area/division** **Strengthening job expertise** Reward · Asset · Individual · New business · Corporation, etc. • Support employees’ acquisition of insurance qualifications • Support employees’ acquisition of qualifications including actuary, underwriter, and overseas professional qualifications **Operation of Job Competency Self-test** **24 subjects for each job duties including Insurance Act/ long-term insurance/car insurance**

← Expert · Excellent key talent · Potential talent · New hires

Cultivating key experts	**Cultivating excellent talent** • Group DNA/CNA • KAIST AIC course • “Digital Finance Expert” course at KAIST, etc. • “Leader Competency Improvement” course • Job theme course • Outside training course • Self-led learning (Learning points, etc.) **Cultivating global talent** **Long-term overseas training (UK/USA/Actuary, etc.) – Intensive language course for Global Motivation (long-term training program)** **Dream Big Biz School** **Digital literacy, Data analysis, Follow-up**

Reinforcing Job Expertise

DB Insurance is strengthening the job expertise of employees through job self-tests and branch manager training courses. By converting the existing in-house qualification system to an online self-test, we expanded employees’ voluntary participation and improved the effectiveness of overall job learning. Additionally, the Branch Leader Training Course assists on-site business managers to improve marketing capabilities and helps the new branch leaders.

Cultivating InsureTech Professionals

We operate and InsureTech expert training course to better adapt to market changes and accelerate digital transformation.
While providing training programs for each competency level (e.g., strengthening professional competence of insurtech-related personnel, expanding the base for understanding and applying insurtech technology, etc.), we conduct training to nurture data experts through the DBB School, which was reorganized from the former Innovation Academy. By strengthening company-wide digital capabilities and fostering high-level experts through this process, we support our employees so that they can play a leading role in data analysis-related tasks. We also support employees’ acquisition of externally accredited qualifications to cultivate expert employees with data analysis capabilities.

Securing organizational leadership capabilities

We operate “Strategic/Operational/Self Leadership & Coaching” courses to foster high-performing leaders who can lead in an organization’s achievement of vision and transformation and who effectively manage the workforce and tasks of the company. The main characteristics of the course are that it accommodates leaders’ diverse competencies and provides optimized training tailored to each individual. It also reflects the company’s major issues and matters arising from changes in the internal and external environments into the training courses to improve the program’s training effectiveness.

Performance Evaluations and Compensation

Performance Evaluation System

DB Insurance has established and is operating a performance-based system that encourages employees to establish and evaluate their own goals and thereby clarifies performance responsibility and authority. We operate a system that can subdivide feedback and performance measurement to achieve goals on a quarterly basis and link organizational and individual goals. Furthermore, the company inspires employees to have a clear sense of direction and the will to achieve their goals through the goal agreement system, the quarterly evaluation system, and the coaching system including self-development and career development plans. The company officially guarantees objections in the final performance evaluation, and strives to ensure a fair and objective evaluation.

Guaranteeing Fair Opportunity

In the pursuit of fair opportunities for all employees, we have separated the evaluations on males and females to prevent female employees from being disadvantaged or discriminated against based on their gender. Also, “Business Manager Training Course” and “CA (Claim Academy) Course,” courses for cultivating professional sales managers and compensation experts, respectively, are operated to provide opportunities to the sales workforce (PA: Prime Agent), female employees, and workers in other areas within the company to help them cultivate branch management capabilities. After completing the courses, we support their growth as branch leaders or sales management experts.

Reasonable Compensation System

DB Insurance’s compensation system determines an employee’s annual salary based on their basic salary and performance compensation. By applying different rates for different jobs, we ensure adequate and reasonable performance-based compensation. Annual salaries and promotions are decided based on employee competency and performance evaluations. Each employee is compensated according to a performance-centered compensation system that rewards high performance with high compensation. Furthermore, we offer various awards to motivate our employees to continuously develop their capabilities and enhance their performance at work.

Compensation System

Establishment of Evaluation Appeal System

When employees wish to raise objections concerning their competency or performance appraisal results, they can appeal through the Evaluation Appeal System. The HR Committee conducts fair deliberations and makes decisions on appeals received under a stipulated process, and determines whether or not to accept the appeal. The result is then given as feedback to the employee who filed the appeal. In 2022, out of a total of 35 appeals, evaluations were adjusted in 10 cases.

Welfare

Selective employee benefits

Our employee benefits system provides selective support so that all employees can work in a pleasant working environment with pride and joy. We operate various programs to build a healthy and flexible working environment, including health check-ups, culture, art, volunteering, family-friendly events, stabilization funds, company housing, and in-house clubs. Also, we observe government policies such as a salary wage system and retirement age extension and invest a great deal of effort to provide a more beneficial scheme by identifying the diverse needs of employees through utilizing surveys, proposals, various meetings, and outside consulting firms.

Support for re-employment and a secure elderly life

To promote the re-employment of our retired employees, DB Insurance has established a new re-employment service in line with the “Act on Prohibition of Age Discrimination in Employment and Elderly Employment Promotion,” which was amended in May 2020. The re-employment service is offered as “Dream Big Life,” a career planning training course designed for employees in their 50s who will retire non- voluntarily. Aside from this, retirees with outstanding performance results will be offered opportunities for re-employment in the organization or related subsidiaries. Through such support, employees can enjoy stable employment after their retirement, and we can benefit from their professional know-how and expertise.
In addition, to ensure the secure management of retirement pensions, DB Insurance operates two types of pension plans: the defined benefits (DB) pension plan, and the defined contribution (DC) pension plan. The management of retirement pensions abides by the relevant legal standards on severance pay and is diversified to multiple financial institutions, including DB Life Insurance, Korea Investment & Securities, Hyundai Marine, and Fire Insurance, Kyobo Life Insurance, Samsung Life Insurance, KEB Hana Bank, Shinhan Bank, Lotte Insurance, Mirae Asset, KB Kookmin Bank, and Shinhan Life Insurance, for effective risk management.

Welfare & Benefits Programs

Category	Program Description
Health checkup	• Medical check-up for employees and their families • Psychological counseling for employees and their families • Employee Challengers (with support for exercise, diet, etc.) • Online/offline training on emotional labor, sexual harassment, etc., and provision of professional psychological counseling for employees’ stress management • On-demand illness response system (prevention/treatment/leave, etc.) • Group accident insurance for employees and their families • Health information seminars • In-house clubs • Checkup leave (one-day paid)
Creating a healthy work environment	• Management of lighting, noise, indoor air quality, humidity, and temperature, for an ergonomic work environment - Periodic replacement of office furniture and replacement of all office lighting with LED lighting - SMART ventilation within the office building, temperature control, management of cooling and heating systems for key company buildings - Regular quarantine activities
Creating a flexible work environment	• Adoption of flexible work hours to support a work-life balance • Support for telecommuting through a remote IT system
Creation, communication, and empathy (CCE) program	• Invitation to Arts and Humanities (Guest lectures) • Encouraging employees to enjoy entertainment and cultural performances (recognized as part of self-development) • Volunteer activities for social contribution
Family-friendly program	• 90 days of paid maternity leave • Congratulatory money payment for wedding and childbirth • Operation of Promy I-Sarang Daycare Center as a childcare facility for employees in the Dongja-dong office building in Seoul • Kindergarten, high school, and university tuition assistance • Dream Big Square - A dedicated website for employee use only, that shares GWP activities by department, fun events, core values, corporate culture improvement activities, social contribution activities • Summer resorts (59 rooms in total used by 887 people) • Fertility leave (paid) for infertility treatment • Family care leave and leave of absence • Reward money for continuous working period (paid in travel voucher or cash), vacation system
Support for stabilization funds	• Support for housing purchase and security deposit, microloans, and loans for occasions deserving congratulations and condolences
Corporate housing support	• Corporate housing support for employees working in areas with no connection - Temporary residence cost, company housing rents (security deposit, monthly rent), company housing living expenses, transportation expenses to and from the residence
In-house clubs	• Support in-house clubs including leisure sports, volunteering, travel/climbing, culture/art, and learning

Safety and Health for Employees

Operation of the OHS Committee

DB Insurance operates an OHS committee composed of four representatives each from labor and management. Through this committee, we consult on health and safety issues, such as ideas for improving the occupational health and safety (OHS) of our employees and, workplaces and industrial accident prevention plans. In addition, we designate OHS managers who are responsible for a wide range of activities, including OHS training programs, work environment inspections, investigations into the causes of major accidents, and the establishment of measures to prevent accident recurrence, etc.

BOD's resolution on safety/health system and implementation plan thereof

We prepare and implement a company-wide safety and health system, results of past safety and health tasks, and future implementation plans through the resolution of the BOD every year.

Safety & Health Decision-making Process

CEO	• Company-wide chief safety and health officer
Occupational Safety and Health Committee (4 employee members/ 4 employer members)	• Deliberation/resolution on important matters related to the company's safety and health
Safety and Health Management Manager (HR Executive)	• Implementation of committee resolutions, implementation of safety and health prevention activities according to relevant regulations, support committee operation
Safety and health management department	• Implementation of job-related safety and health prevention, inspection, and reporting activities

ISO 45001 Certification

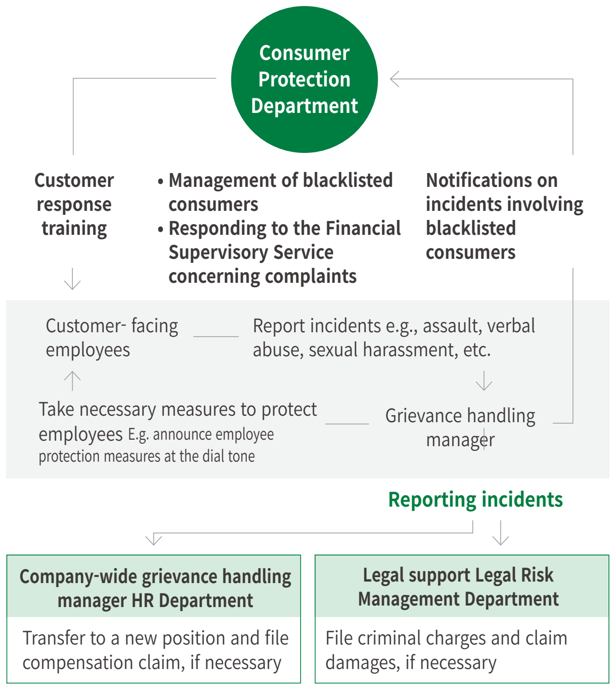
In 2022, DB Insurance acquired ISO 45001 certification, being recognized for its systematic safety and health management system. This certification lays the foundation for the prevention of major industrial accidents and civil disasters and helps the Risk Management Research Center continue to work safely during on-site risk management activities.

Employee health protection program

A variety of health policies and programs exist to support employees' work in a healthy working environment.
All employees and their spouses receive annual health check-ups that vary by age and working period. In addition, we have eased employees' medical expense burden by providing a group insurance system for their medical expenses for injuries and diseases that covers the employees and their immediate family. In particular, we provide special programs that support consultants such as massage care and check-up for the existence of any harmful factors causing muscular-skeletal disease. Furthermore, psychology counseling services and health fund systems are also utilized to help employees manage their health.

Protective measures for customer-facing employees

We have also prepared the "Problem Customer Response Manual" to reinforce the protective measures for customer-interfacing employees, and we have assigned dedicated personnel for handling complaints in each business division to actively respond to assault, verbal abuse, and sexual harassment during the customer service process. Since 2020, we have expanded the applicability of the Customer-interfacing Employee Protection System, which previously covered only those employees who worked directly with customers, such as those in sales and compensation, to all employees.



Employee Data

Indicator			Unit	2020	2021	2022
Employee status[1]	Executives		Person	46	55	59[5]
	Employees		Person	4,567	4,605	4,509[6]
	Total[2]		Person	4,613	4,660	4,568
	Senior manager (Supervisor)	Male	Person	181	206	174
		Female	Person	0	2	4
	Junior manager/Assistant manager (Supervisor)	Male	Person	1,310	1,285	1,318
		Female	Person	160	167	172
	Junior assistant manager/Senior staff member/Staff member (Senior/Junior)	Male	Person	182	184	136
		Female	Person	1,065	1,066	1,126
	Specialist/Consultant	Male	Person	274	255	278
		Female	Person	1,395	1,367	1,301
	Total		Person	4,567	4,532	4,509
Recruitment status	College graduates		Person	23	60	16
	Experienced employees		Person	166	175	241
	Female office employees		Person	35	43	45
	Total		Person	224	278	302
Female employee recruitment status	Total employees		Person	224	278	302
	Female employees		Person	144	175	204
	Female high school graduates		Person	50	53	98
Overseas local hires			Person	62	64	64
Transition to permanent positions			Person	16	75	60
Hours of training	Total training hours		hour	285,375	278,670	353,935
	Training hours per person	Total	hour	61.4	60.7	77.5
		Male	hour	-	-	97.3
		Female	hour	-	-	64.8
Training expenses	Total training expenses		KRW million	3,371	2,348	2,490
	Training expenses per person		KRW million	0.73	0.51	0.54
Key training outcomes	No. of employees who have obtained qualifications		Person	445	437	261
	Employees with insurance qualifications		Person	1,267	1,348	1,424
	Insurance qualification ratio		%	38.7	40.6	42.7
Employees participating in study groups			Person	1,017	1,194	1,836
ESI satisfaction for employee education and training			Point	81.9	81.7	79.5
No. of employees engaged in self-assessments & creating self-development plans[3]			Person	1,910	2,232	2,084
Per capital productivity			KRW 100 million	43.0	45.7	48.7
Welfare & benefit expenses	Total welfare & benefit expenses		KRW 100 million	562	559	546
	Welfare & benefit expenses per person		KRW million	17.2	16.7	16.6
Maternity leave usage status	No. of workers using leave before and after childbirth		Person	74	103	84
	No. of childcare leave users		Person	116	103	135
No. of employees who return from maternity/paternity leave	Male		%	90.0	85.7	66.7
	Female		%	89.6	90.2	91.1
Turnover rate			%	3.9	3.5	4.1
Rate of performance evaluation[4]	Total		%	94.3	92.8	92.8
	Male		%	-	-	96.7
	Female		%	-	-	88.3

1) Indicators by rank: Data calculation criteria have been changed and figures have been revised, due to the change in ranks following the revision of the personnel system in 2023. (Previous: Senior manager/Junior manager/Assistant manager/Junior assistant manager/Senior staff member/Staff member → 2023: Supervisor/Senior/Junior
2) Excluding employees other than those specified in the business report (202 persons)
3) Employees establish an annual self-development plan by identifying individual competency needs and analyzing competency gaps
4) Excluding those on leave, employees with less than 6 months service (new employees, experienced employees, etc.), and others (those on overseas training, etc.)
5) Number including registered executives (2) + unregistered executives (57)
6) Excluding part-timers (68 persons)

APPENDIX

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Materiality Assessment

Double Materiality Assessment

Every year, DB Insurance carries out materiality assessment that reflects the interests of internal and external stakeholders to derive key issues, and discloses them in the Integrated Report on Sustainable Management. The materiality assessment is designed based on the methods and criteria presented in the GRI Standards, the global guidelines for reporting on sustainable management. This is done by comprehensively considering the level of influence on management activities of DB Insurance, relevance to business performance, and the interest level of stakeholders. The materiality assessment in the 2023 Integrated Report was conducted by applying the dual materiality principle that considers both environmental and social impacts, and financial impacts.

Double Materiality Assessment Process

Stage 1	Creating a Pool of ESG Issues	
	Analysis of international standards	Analysis of international standards related to sustainable management and ESG
	Media research	Analysis of 616 related articles out of a total of 2,257 articles exposed in 2022
	Benchmarking of the same industry	Analysis of ESG activities and disclosed information of 11 domestic and foreign companies of the same type
	Stakeholder communication	Listening to opinions through stakeholder communication channels
Stage 2	Identifying Actual and Potential Impacts	
	Analysis of international standards	Classification of current and potential issues, Identification of future issues that are uncertain but may have significant impact
Stage 3	Conducting Double Materiality Assessment	
	Stakeholder engagement	Conduct a survey of internal and external stakeholders and reflect the materiality assessment
	Reflection of ESG feedback from investors	Request for ESG information from Korea ESG Rating (major investment evaluation agency), etc. and reflect major feedback
	Application of double materiality	Implement materiality assessment that considers environmental/social materiality and financial materiality at the same time
Stage 4	Prioritization and Formation of Reporting Issue Pool	
	Selection of reporting issues and key issues	Implement materiality assessment that considers environmental/social materiality and financial materiality at the same time

Direction of Double Materiality Application

Environmental & Social Materiality	
Analysis of international standards	• Reflecting major points from the perspective of international guidelines such as GRI, SDGs, and ISO 26000 • Reflecting the requirements of international community such as PSI, UNGC, etc.
Media research	• Analysis of contents related to DB Insurance's environmental and social impact, in the articles related to ESG • Analysis of contents related to its positive/negative impact from the perspective of corporate reputation, in the articles related to DB Insurance
Benchmarking of the same industry	• Analysis of information disclosed by 11 leading companies in the same industry at home and abroad • Analysis of non-financial issues in the industry
Stakeholder engagement	• Reflecting stakeholder expectations and concerns (current and future, and in terms of positive or negative impact) • Reflecting stakeholders' expectations and concerns about the impact of a company's non-financial activities on the society

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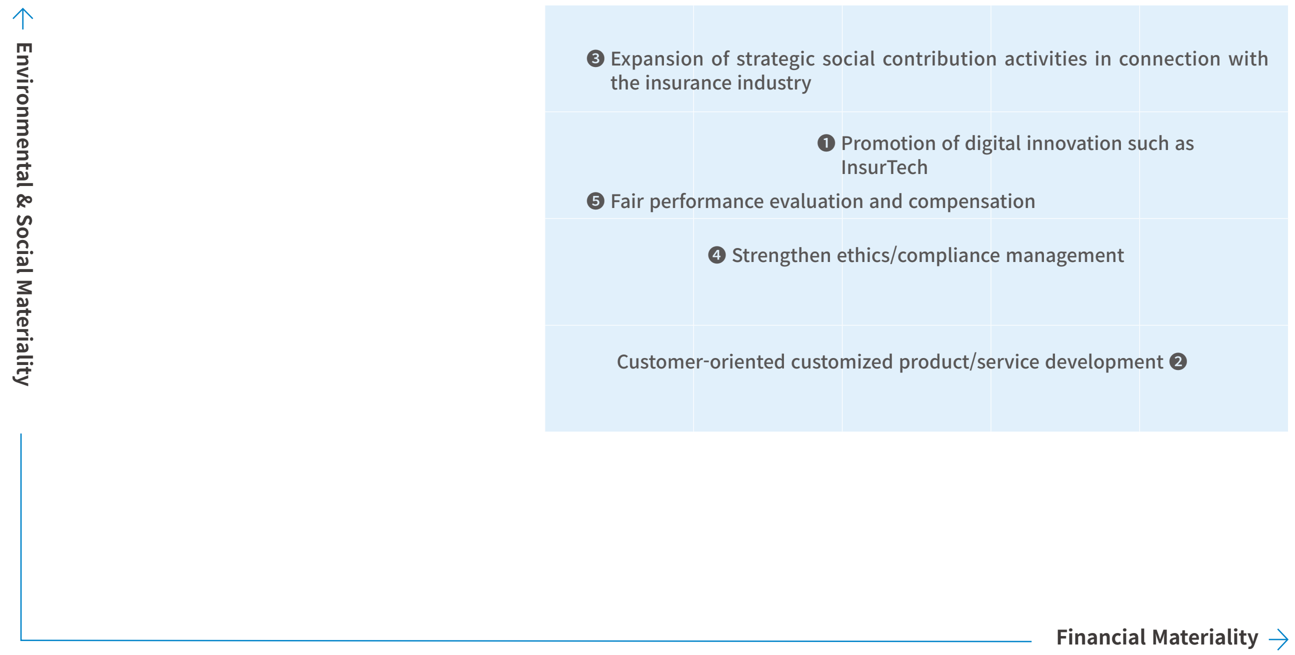
Financial Materiality	
Analysis of international standards	• Reflecting major investor index requirements (e.g., DJSI) • Reflecting investor influence and utilization (e.g., SASB)
Media research	• Analysis of contents with high financial impact, in the articles related to ESG • Analysis of contents with potential impact on investors, in the articles related to ESG
DB Insurance's management strategy	• Analysis of DB Insurance's management vision and ESG strategy • Review of linkage between sustainable management direction and business direction
Stakeholder engagement	• Weighting of issues that may have financial impact by area, within the ESG issue pool • Analysis of the positive and negative impacts on stakeholders' expectations and concerns due to the company's non-financial activities

Double Materiality

Materiality Assessment Results

As a result of the materiality assessment, a pool of 30 issues was formed, of which 5 issues (digital transformation based on insurtech capabilities, development of customized products/services, expansion of strategic social contribution activities related to the insurance industry, strengthening of ethical/compliance management, fair performance evaluation and compensation) were selected as key issues. From the environmental and social aspects, expansion of strategic social contribution activities related to the insurance industry, digital transformation based on insurtech capabilities, and fair performance evaluation and compensation were identified as key issues, and from the financial aspect, development of customized product/service and strengthening of ethical/compliance management were identified as key issues.



	No.	Key Issues	GRI	Environmental & Social Materiality	Financial Materiality	Reporting Page
▲1	1	Promotion of digital innovation such as InsurTech	Non-GRI	2	2	25~28
▼1	2	Customer-oriented customized product/service development	GRI 417 Marketing and Labeling	12	1	38~39
▲1	3	Expansion of strategic social contribution activities in connection with the insurance industry	GRI 203 Indirect Economic Impacts	1	14	73~77
NEW	4	Strengthen ethics/compliance management	GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	4	5	54~57
NEW	5	Fair performance evaluation and compensation	GRI 201 Economic Performance GRI 401 Employment GRI 404 Training and Education	3	10	90

TCFD-based Climate Change Response Report

In accordance with the recommendations of TCFD (Task Force on Climate-related Financial Disclosures), DB Insurance reports on various climate change response activities and performances based on the governance, strategy, risk management, indicators and reduction targets.

Category	Principles	DB Insurance's Activities and Performance
Governance	Describe the BOD's oversight of climate-related risks and opportunities.	The Board of Directors, which is the highest decision-making body of DB Insurance, and the ESG Committee, under its umbrella, deliberates and decides on issues related to climate change.
	Describe management's role in assessing and managing climate-related risks and opportunities.	DB Insurance actively responds to climate change issues through the ESG Committee under the BOD. The committee makes decisions on environmental management policy establishment, environmental KPI management, carbon neutrality plan establishment, environmental risk management system establishment and, environmental product and service development.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate change causes problems such as natural disasters, loss of biodiversity, depletion of natural resources, and socio-economic inequality. Not only does this cause financial loss, but it can also negatively impact loss ratio predictions for existing insurance products. Accordingly, DB Insurance believes that it will be able to secure new business opportunities by expanding the development of insurance products to respond to climate change, such as environmental liability insurance and eco-friendly insurance products to reduce carbon emissions.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate change has a significant impact on DB Insurance's business performance as well as its financial position in the form of disinvestment in fossil fuel-based power plants that accelerate climate change, and expansion of investment in new and renewable energy.
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Korean government announced a plan to GHG emissions by 24.4% compared to 2017 in 2030 with the aim of being carbon neutral by 2050. Based on this, DB Insurance has set a mid- to long-term goal of reducing carbon emissions by 25% by 2030.
Risk management	Describe the organization's processes for identifying and assessing climate-related risks.	DB Insurance systematically manages the climate change agenda in the company-wide risk management system. In accordance with the Principles for Sustainable Insurance (PSI) of the United Nations Environment Program Financial Initiative (UNEP FI), the company recognizes climate change issues as key factors that affect the stability of financial products and is considering them for business operation. Through opportunity and risk analysis, climate change is reflected in the short-term as well as mid- to long-term strategies, and is then reported to the Board of Directors and the ESG Committee. In addition, risks and opportunities related to environmental regulations, the company's reputation for eco-friendly activities and changes in consumer behavior towards eco-friendly products are monitored when product development and investment decisions are made.
	Describe the organization's processes for managing climate-related risks.	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	In order to accurately evaluate business risks and opportunities caused by climate change, DB Insurance has established and systematically managed indices focusing on greenhouse gas emissions and energy consumption.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	DB Insurance demonstrates transparency in disclosing greenhouse gases (Scope 1, Scope 2, Scope 3) emitted from business activities through the annual Integrated Sustainability Report.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	DB Insurance's greenhouse gas reduction goal was established based on the national greenhouse gas reduction goal, and the specific figures are disclosed through the Integrated Sustainability Report.

Consolidated Financial Statements

Consolidated Statement of Financial Position

As of Dec. 31, 2022 at the end of the 56th (current) period
As of Dec. 31, 2021 at the end of the 55th (previous) period
As of Dec. 31, 2020 at the end of the 54th (before last) period

DB Insurance Co., Ltd. and its subsidiaries

(Unit: KRW)

Category	56th (current) period	55th (previous) period	54th (before last) period
Assets			
1. Cash and deposits	1,221,133,592,107	818,534,002,313	677,852,714,853
2. Financial assets at fair value through profit or loss	907,404,964,700	1,246,370,371,106	1,694,517,622,757
3. Available-for-sale financial assets	15,311,443,124,392	19,624,038,222,795	23,438,188,670,625
4. Held-to-maturity financial assets	11,870,956,593,582	8,550,223,110,350	2,027,277,611,241
5. Loans and receivables	21,987,177,014,026	21,370,029,473,968	20,011,187,403,793
6. Hedging derivative assets	588,727,757,334	38,534,809,348	620,490,991,293
7. Shares invested in associates	328,174,473,891	343,698,839,154	294,720,399,718
8. Tangible assets	504,393,634,032	457,117,841,232	425,257,208,304
9. Real estate as investment	1,127,628,884,020	1,185,026,092,060	1,263,868,683,598
10. Intangible assets	211,079,224,705	213,386,597,351	165,742,654,046
11. Re-insured assets	1,224,677,597,231	1,005,568,212,719	756,189,568,707
12. Defined benefit assets	124,286,519,607	-	-
13. Other assets	2,471,806,716,601	2,332,285,641,562	2,216,691,903,220
14. Deferred tax assets	85,758,568,179	55,465,506,190	34,549,204,569
15. Current tax assets	44,453,578,297	19,647,705,268	14,277,325,805
16. Special account assets	6,487,462,720,347	7,491,676,148,256	6,413,609,498,382
Total assets	64,496,564,963,051	64,751,602,573,672	60,054,421,460,911
Liabilities			
1. Insurance contract liabilities	47,720,291,779,539	45,973,062,161,950	43,501,936,408,575
2. Contractor's share adjustment	-	1,327,694,809	5,240,925,368
3. Financial liabilities at fair value through profit or loss	594,501,000	10,591,468,604	5,909,154,011
4. Hedging derivative liabilities	407,082,649,263	408,496,620,909	111,695,140,384
5. Defined benefit liabilities	-	6,185,428,701	22,981,001,313
6. Other liabilities	3,826,391,992,659	3,239,005,223,888	2,679,318,051,866
7. Deferred tax liabilities	102,280,485,924	548,118,357,618	664,010,627,872
8. Current tax liabilities	7,543,790,036	155,940,276,682	94,061,259,721
9. Special account liabilities	6,970,723,498,060	7,676,406,676,290	6,474,369,513,505
Total liabilities	59,034,908,696,481	58,019,133,909,451	53,559,522,082,615
Equity			
1. Capital	35,400,000,000	35,400,000,000	35,400,000,000
2. Capital surplus	85,979,024,641	84,884,742,115	84,884,742,115
3. Capital adjustment	(152,492,009,860)	(152,492,009,860)	(152,492,009,860)
4. Accumulated other comprehensive income	(1,312,399,019,603)	728,450,888,489	1,227,862,925,174
5. Retained earnings	6,717,862,802,347	5,944,889,555,398	5,209,577,144,607
(Accumulated amount of bad debt reserve)	(100,443,630,129)	(87,981,961,679)	(80,062,488,875)
(Accumulated amount of emergency risk reserve)	(1,248,819,600,630)	(1,130,757,453,749)	(1,023,646,135,736)
(Estimated amount of bad debt reserve)	5,770,255,117	(12,461,668,450)	(7,919,472,804)
(Estimated amount of emergency risk reserve)	(129,750,927,660)	(118,062,146,881)	(107,111,318,013)
Controlling shareholder	5,374,350,797,525	6,641,133,176,142	6,405,232,802,036
Non-controlling interests	87,305,469,045	91,335,488,079	89,666,576,260
Total equity	5,461,656,266,570	6,732,468,664,221	6,494,899,378,296
Total liabilities and equity	64,496,564,963,051	64,751,602,573,672	60,054,421,460,911

Note: The financial statements are from before the approval of the 56th Annual General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are corrected at the Annual General Meeting of Shareholders, then the details and reasons will be reflected in the correction report.

Consolidated Statement of Comprehensive Income

From Jan. 1, 2022 to Dec. 31, 2022 for the 56th (current) period
From Jan. 1, 2021 to Dec. 31, 2021 for the 55th (previous) period
From Jan. 1, 2020 to Dec. 31, 2020 for the 54th (before previous) period

DB Insurance Co., Ltd. and its subsidiaries

(Unit: KRW)

Category	56th (Current) Period	55th (Previous) Period	54th (Before Previous) Period
Operating Income	22,860,768,540,048	20,880,588,628,891	20,110,608,226,449
1. Premium income	17,398,687,190,127	16,389,460,151,534	15,456,134,292,643
2. Reinsurance income	866,677,021,289	651,221,730,116	709,047,875,554
3. Indemnity profit	24,986,355,636	3,078,285,351	16,767,289,047
4. Interest income	1,573,978,433,185	1,399,168,827,560	1,314,290,869,921
5. Income from investment in financial products	1,035,411,860,255	665,500,324,690	1,437,149,183,500
6. Foreign exchange transaction profit	1,002,497,082,658	978,676,501,187	447,359,614,158
7. Fee income	14,790,321,241	9,190,645,078	6,936,573,211
8. Dividend income	385,726,583,091	271,366,223,227	210,804,361,684
9. Other income	348,299,908,526	349,363,436,001	357,334,684,760
10. Special account income	209,713,784,040	163,562,504,147	154,783,481,971
Operating Expenses	21,527,688,108,439	19,772,187,289,536	19,388,348,225,823
1. The amount of transfer of insurance contract liabilities	1,530,627,447,742	2,259,700,559,400	2,233,670,429,242
2. Insurance cost	8,103,519,058,745	7,260,187,673,549	6,742,539,356,819
3. Refund cost	4,111,931,133,266	3,672,736,869,090	3,768,510,289,062
4. Dividend cost	4,902,380,680	5,229,372,902	6,481,802,045
5. Damage investigation fee	183,563,679,371	153,237,397,889	144,584,397,195
6. Reinsurance cost	1,162,139,446,914	998,883,450,521	1,025,024,054,401
7. Business expenses	2,013,840,047,561	1,812,754,164,830	1,694,875,383,731
8. New contract amortization cost	1,424,700,792,651	1,300,993,994,073	1,385,837,699,775
9. Interest expense	93,665,708,670	78,984,780,227	55,013,765,115
10. Financial instruments investment expenses	1,744,436,095,935	1,390,001,756,139	922,194,898,034
11. Bad debt expenses	38,704,432,454	16,400,801,410	12,129,430,703
12. Foreign exchange transaction loss	331,438,804,119	153,980,248,599	753,516,591,362
13. Property management fee	126,874,325,093	112,512,778,446	108,032,272,577
14. Real estate management fee	20,062,414,489	17,575,512,826	18,062,083,192
15. Other expenses	427,568,556,709	375,445,425,488	363,092,290,599
16. Special account expenses	209,713,784,040	163,562,504,147	154,783,481,971
Operating profit	1,333,080,431,609	1,108,401,339,355	722,260,000,626
Non-operating income	39,221,592,169	83,103,427,119	57,038,457,718
Non-operating expenses	60,950,400,184	15,985,707,566	37,020,908,582
Net income before tax	1,311,351,623,594	1,175,519,058,908	742,277,549,762
Corporate tax expense	323,339,632,280	302,598,935,095	187,780,666,639
Net Income	988,011,991,314	872,920,123,813	554,496,883,123
Net income from controlling shares	983,087,447,242	869,522,640,144	552,280,771,480
Net income from non-controlling shares	4,924,544,072	3,397,483,669	2,216,111,643
Other comprehensive income (loss)	(2,042,032,247,467)	(499,815,206,089)	87,590,068,428
1. Items that are subsequently reclassified to profit or loss			
Gains (losses) on valuation of available-for-sale financial assets	(1,631,745,698,612)	(611,991,383,413)	115,262,514,491
Gains (losses) on valuation of held-to-maturity financial assets	(150,915,737,270)	179,928,638,289	(504,557,015)
Changes in equity in associates in other comprehensive income	(3,185,868,423)	17,797,590,087	6,530,057,445
Gains (losses) on valuation of hedging derivatives	(101,953,013,921)	(75,581,256,603)	3,966,286,105
Overseas business translation profit (loss)	93,781,292,416	77,706,052,153	(53,605,661,616)
Other comprehensive profit (loss) in special accounts	(274,060,945,195)	(79,799,269,848)	9,466,040,682
2. Items not subsequently reclassified as profit or loss			
Remeasurement triggering elements of defined benefit liability	24,446,387,570	(7,174,179,156)	4,286,623,333
Property, plant, and equipment revaluation surplus	1,601,335,968	(701,397,598)	2,188,765,003
Total comprehensive income (loss)	(1,054,020,256,153)	373,104,917,724	642,086,951,551
Total comprehensive income (loss) from controlling shares	(1,057,751,073,417)	370,110,603,459	648,031,934,751
Total comprehensive income (loss) from non-controlling shares	3,730,817,264	2,994,314,265	(5,944,983,200)
Basic and diluted earnings per share from controlling shares	16,373	14,482	9,063

Note: The financial statements are from before the approval of the 56th Annual General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are revised at the Annual General Meeting of Shareholders, then the details and reasons will be reflected in the correction report.

Consolidated Statement of Changes in Equity

As of Dec. 31, 2022 at the end of the 56th (current) period
As of Dec. 31, 2021 at the end of the 55th (previous) period
As of Dec. 31, 2020 at the end of the 54th (before last) period

DB Insurance Co., Ltd. and its subsidiaries

(Unit: KRW)

Category	Controlling shares						Non-controlling shares	Total capital
	Capital	Capital surplus	Capital adjustment	Accumulated other comprehensive income	Retained earnings	Total		
Jan. 1 2020 (beginning of the period before previous)	35,400,000,000	37,912,781,518	(29,655,475,800)	1,132,111,761,903	4,767,742,382,192	5,943,511,449,813	198,447,393,420	6,141,958,843,233
Total comprehensive income								
Net income	-	-	-	-	552,280,771,480	552,280,771,480	2,216,111,643	554,496,883,123
Available-for-sale financial asset valuation gains	-	-	-	114,959,757,488	-	114,959,757,488	302,757,003	115,262,514,491
Losses on valuation of held-to-maturity financial assets	-	-	-	(478,250,772)	-	(478,250,772)	(26,306,243)	(504,557,015)
Changes in equity in associates in other comprehensive income	-	-	-	6,530,057,445	-	6,530,057,445	-	6,530,057,445
Gains (losses) on valuation of hedging derivatives	-	-	-	4,041,749,430	-	4,041,749,430	(75,463,325)	3,966,286,105
Overseas business translation loss	-	-	-	(53,605,661,616)	-	(53,605,661,616)	-	(53,605,661,616)
Special account and other comprehensive income	-	-	-	9,466,040,682	-	9,466,040,682	-	9,466,040,682
Remeasurement triggering elements of defined benefit liability	-	-	-	4,287,718,587	-	4,287,718,587	(1,095,254)	4,286,623,333
Property, plant, and equipment revaluation surplus	-	-	-	2,188,765,003	-	2,188,765,003	-	2,188,765,003
Total comprehensive income	-	-	-	87,390,176,247	552,280,771,480	639,670,947,727	2,416,003,824	642,086,951,551
Transactions with shareholders directly reflected in equity		-						
Acquisition of treasury stock	-	-	(122,836,534,060)	-	-	(122,836,534,060)	-	(122,836,534,060)
Acquisition of non-controlling shares	-	46,971,960,597	-	8,360,987,024	(8,360,987,024)	46,971,960,597	(150,878,053,025)	(103,906,092,428)
Issuance of new capital securities	-	-	-	-	-	-	39,839,480,000	39,839,480,000
Annual dividend	-	-	-	-	(102,085,022,041)	(102,085,022,041)	(158,247,959)	(102,243,270,000)
Dec. 31, 2020 (End of the previous period)	35,400,000,000	84,884,742,115	(152,492,009,860)	1,227,862,925,174	5,209,577,144,607	6,405,232,802,036	89,666,576,260	6,494,899,378,296
Jan. 1, 2021 (Beginning of the previous period)	35,400,000,000	84,884,742,115	(152,492,009,860)	1,227,862,925,174	5,209,577,144,607	6,405,232,802,036	89,666,576,260	6,494,899,378,296
Total comprehensive income								
Net income	-	-	-	-	869,522,640,144	869,522,640,144	3,397,483,669	872,920,123,813
Losses on valuation of available-for-sale financial assets	-	-	-	(611,657,799,747)	-	(611,657,799,747)	(333,583,666)	(611,991,383,413)
Gains (losses) on valuation of held-to-maturity financial assets	-	-	-	179,968,767,269	-	179,968,767,269	(40,128,980)	179,928,638,289
Changes in equity in associates in other comprehensive income	-	-	-	17,797,590,087	-	17,797,590,087	-	17,797,590,087
Losses on valuation of hedging derivatives	-	-	-	(75,561,253,238)	-	(75,561,253,238)	(20,003,365)	(75,581,256,603)
Overseas business translation profit	-	-	-	77,706,052,153	-	77,706,052,153	-	77,706,052,153
Special account and other comprehensive loss	-	-	-	(79,799,269,848)	-	(79,799,269,848)	-	(79,799,269,848)
Remeasurement triggering elements of defined benefit liability	-	-	-	(7,164,725,763)	-	(7,164,725,763)	(9,453,393)	(7,174,179,156)
Property, plant, and equipment revaluation surplus	-	-	-	(701,397,598)	-	(701,397,598)	-	(701,397,598)
Total comprehensive income	-	-	-	(499,412,036,685)	869,522,640,144	370,110,603,459	2,994,314,265	373,104,917,724
Transactions with shareholders directly reflected in equity								
Annual dividend	-	-	-	-	(134,210,229,353)	(134,210,229,353)	(1,325,402,446)	(135,535,631,799)
Dec. 31, 2021 (end of the previous year)	35,400,000,000	84,884,742,115	(152,492,009,860)	728,450,888,489	5,944,889,555,398	6,641,133,176,142	91,335,488,079	6,732,468,664,221
Jan. 1, 2022 (beginning of the year)	35,400,000,000	84,884,742,115	(152,492,009,860)	728,450,888,489	5,944,889,555,398	6,641,133,176,142	91,335,488,079	6,732,468,664,221
Total comprehensive income								
Net income	-			-	983,087,447,242	983,087,447,242	4,924,544,072	988,011,991,314
Losses on valuation of available-for-sale financial assets	-	-	-	(1,630,949,269,825)	-	(1,630,949,269,825)	(796,428,787)	(1,631,745,698,612)
Losses on valuation of held-to-maturity financial assets	-	-	-	(150,548,389,521)	-	(150,548,389,521)	(367,347,749)	(150,915,737,270)
Changes in equity in associates in other comprehensive income	-	-	-	(3,185,868,423)	-	(3,185,868,423)	-	(3,185,868,423)
Losses on valuation of hedging derivatives	-	-	-	(101,899,176,731)	-	(101,899,176,731)	(53,837,190)	(101,953,013,921)
Overseas business translation profit	-	-	-	93,781,292,416	-	93,781,292,416	-	93,781,292,416
Special account and other comprehensive loss	-	-	-	(274,060,945,195)	-	(274,060,945,195)	-	(274,060,945,195)
Remeasurement triggering elements of defined benefit liability	-	-	-	24,422,500,652	-	24,422,500,652	23,886,918	24,446,387,570
Property, plant, and equipment revaluation surplus	-	-	-	1,601,335,968	-	1,601,335,968	-	1,601,335,968
Total comprehensive income	-	-	-	(2,040,838,520,659)	983,087,447,242	(1,057,751,073,417)	3,730,817,264	(1,054,020,256,153)
Transactions with shareholders directly reflected in equity								
Acquisition of non-controlling shares	-	1,094,282,526	-	(11,387,433)	11,387,433	1,094,282,526	(1,094,282,526)	-
Annual dividend	-	-	-	-	(210,125,587,726)	(210,125,587,726)	(6,666,553,772)	(216,792,141,498)
Dec 31, 2022 (end of the current period)	35,400,000,000	85,979,024,641	(152,492,009,860)	(1,312,399,019,603)	6,717,862,802,347	5,374,350,797,525	87,305,469,045	5,461,656,266,570

Note: The financial statements are from before the approval of the 56th Annual General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are revised at the Annual General Meeting of Shareholders, then the details and reasons will be reflected in the correction report.

Consolidated Statement of Cash Flows

From Jan. 1, 2022 to Dec. 31, 2022 for the 56th (current) period
From Jan. 1, 2021 to Dec. 31, 2021 for the 55th (previous) period
From Jan. 1, 2020 to Dec. 31, 2020 for the 54th (before previous) period

DB Insurance Co., Ltd. and its subsidiaries

(Unit: KRW)

Category	56th (Current) Period		55th (Previous) Period		54th (Before Previous) Period	
Cash flow from operating activities		2,878,517,118,202		2,276,255,431,326		1,242,392,724,588
1. Net income before tax	1,311,351,623,594		1,175,519,058,908		742,277,549,762	
2. Adjustment of revenue and expenses	1,436,436,885,982		2,057,847,890,348		2,246,739,364,908	
3. Changes in assets and liabilities	(1,434,004,392,289)		(2,262,964,638,625)		(3,158,717,103,117)	
4. Interest received	1,531,968,584,662		1,286,011,683,716		1,310,415,059,742	
5. Interest paid	(65,077,100,107)		(52,498,912,734)		(40,633,297,420)	
6. Dividends received	389,466,912,006		275,941,802,445		215,124,381,768	
7. Corporate tax payment	(291,625,395,646)		(203,601,452,732)		(72,813,231,055)	
Cash flow from investment activities		(2,324,929,561,431)		(2,626,079,514,885)		(824,871,199,438)
1. Cash inflow	5,105,945,507,067		7,626,799,285,910		11,124,825,164,186	
Disposition of available-for-sale financial assets	4,460,855,493,207		6,927,995,763,954		9,914,054,207,164	
Redemption of held-to-maturity financial assets	136,319,904,870		199,694,719,894		116,662,661,720	
Settlement of hedging derivatives	-		235,290,505,992		7,059,256,335	
Reduction of the rental deposit	8,422,820,975		6,455,707,052		8,384,750,193	
Disposition of investment property	38,228,889,299		93,942,028,026		37,433,531,717	
Disposal of tangible assets	200,107,776		161,150,128		115,719,571	
Disposal of intangible assets	404,860,000		38,500,000		440,000,000	
Consolidation range change, etc.	461,513,430,940		163,220,910,864		1,040,675,037,486	
2. Cash outflow	(7,430,875,068,498)		(10,252,878,800,795)		(11,949,696,363,624)	
Acquisition of available-for-sale financial assets	(5,683,944,325,041)		(8,714,283,395,717)		(11,035,127,419,468)	
Acquisition of held-to-maturity financial assets	(326,141,499,600)		(1,162,247,249,766)		(655,606,953,209)	
Settlement of hedging derivatives	(1,340,922,532,969)		(315,279,788,243)		(167,120,758,661)	
Increase in rental deposit	(9,029,840,262)		(7,022,882,644)		(5,754,070,199)	
Real estate acquisition through investment	(945,278,764)		(11,083,226,870)		(36,797,392,740)	
Acquisition of tangible assets	(44,293,507,470)		(16,134,379,452)		(21,997,885,753)	
Acquisition of intangible assets	(20,048,104,392)		(21,364,312,303)		(27,291,883,594)	
Increase in advance payment	(5,549,980,000)		(5,463,565,800)		-	
Cash flow from financing activities		(212,721,175,733)		400,757,698,424		(296,240,101,588)
1. Cash inflow	62,409,764,237		583,584,960,641		73,510,255,992	
Issuance of new capital securities	-		-		39,839,480,000	
Net increase in borrowings	60,656,848,727		581,128,723,213		30,952,142,972	
Increase in rental deposit	1,752,915,510		2,456,237,428		2,718,633,020	
2. Cash outflow	(275,130,939,970)		(182,827,262,217)		(369,750,357,580)	
Acquisition of treasury stock	-		-		(122,836,534,060)	
Decrease in rental deposit	(14,558,309,460)		(2,196,415,067)		(2,710,144,832)	
Payment of dividends	(216,792,141,498)		(135,535,631,799)		(102,243,270,000)	
Payment of lease payments	(43,780,489,012)		(45,095,215,351)		(38,054,316,260)	
Acquisition of non-controlling shares	-		-		(103,906,092,428)	
Increase in cash and cash equivalents		340,866,381,038		50,933,614,865		121,281,423,562
Exchange rate fluctuations		6,861,046,184		30,648,847,417		(24,934,837,925)
Beginning-of-the-period cash and cash equivalents		602,845,872,660		521,263,410,378		424,916,824,741
End-of-the-period cash and cash equivalents		950,573,299,882		602,845,872,660		521,263,410,378

Note: The financial statements are from before the approval of the 56th Annual General Meeting of Shareholders. In the future, if an agenda related to approval of the financial statements is rejected or the financial statements are revised at the Annual General Meeting of Shareholders, then the details and reasons will be reflected in the correction report.

Business Status Report of the CEO and Internal Accounting Manager

Dear shareholders, Board of Directors, and Audit Committee of DB Insurance Co., Ltd.,

The CEO and the Internal Accounting Manager have evaluated the design and operation of our internal accounting management system for the fiscal year ending on December 31, 2022.

Responsibility for the design and operation of the internal accounting management system rests with the company's senior management, including the CEO and the Internal Accounting Manager.

The CEO and the Internal Accounting Manager have evaluated whether the company's internal accounting management system is effectively designed and operated to prevent and detect errors or fraudulent acts that may cause distortion of financial statements for the preparation and disclosure of reliable financial statements.

The CEO and the Internal Accounting Manager used the "Conceptual Framework for Design and Operation of Internal Accounting Control System" announced by the Internal Accounting Control System Steering Committee as the reference standard for the design and operation of the internal accounting management system. In evaluating the design and operation of the internal accounting management system, they used the "Best Practices for Evaluation and Reporting of the Internal Accounting Control System" announced by the Internal Accounting Control System Steering Committee as the evaluation criteria.

The evaluation of the internal accounting management system operation by the CEO and the Internal Accounting Manager has found that as of December 31, 2022, our internal accounting management system is effectively designed and operated from the perspective of materiality based on the "Conceptual Framework for Design and Operation of Internal Accounting Control System."

The CEO and the Internal Accounting Manager have confirmed that the report details were not falsely stated or indicated, and anything that should be stated or indicated was not omitted. In addition, the CEO and the Internal Accounting Manager confirmed that the report did not contain or display any content that could cause serious misunderstandings, and they personally checked and reviewed the report with due care.

February 23, 2023

CEO **Jongpyo Jeong**

Internal Accounting Manager **Seunghyeong Nam**

Independent Auditor's Audit Report

Dear shareholders and Board of Directors of DB Insurance Co., Ltd.

Auditor's Opinion

We have audited the consolidated financial statements of DB Insurance Co., Ltd. and its subsidiaries (the "Consolidated Company"). These consolidated financial statements consist of the Consolidated Statement of Financial Position as of December 31, 2022 and December 31, 2021, the Consolidated Statements of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for both reporting periods ending on the same dates, and the Notes to the Consolidated Financial Statements, including summaries of significant accounting policies. In our opinion, the attached Consolidated Financial Statements of the Consolidated Company present the consolidated financial position as of December 31, 2022 and December 31, 2021 and the consolidated financial performance and consolidated cash flows for both reporting periods ending on the same dates fairly, in the light of materiality in accordance with the Korean International Financial Reporting Standards.

Basis of Audit Opinion

We conducted our audits in accordance with the Auditing Standards of the Republic of Korea. Our responsibilities under these standards are described in the Auditor's Responsibilities for Auditing the Consolidated Financial Statements section of this audit report. We are independent from the Consolidated Company in accordance with the ethical requirements of the Republic of Korea in regard to the audit of the consolidated financial statements and have fulfilled other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have collected is sufficient and appropriate as a basis for our audit opinion.

Key Audit Matters

The key audit matters are the most significant from the current consolidated financial statements according to our professional judgment. These matters were addressed in forming our opinion from the perspective of our audit of the consolidated financial statements as a whole, and we do not provide a separate opinion on these matters.

Premium Reserve among Insurance Contract Liabilities

As mentioned in Note 2-20 (Insurance Contract Liability) to the consolidated financial statements, the Consolidated Company has accumulated premium reserves in accordance with the Insurance Business Supervision Regulations and related laws. These reserves are used to pay insurance money, refunds, and dividends in the future to policyholders or beneficiaries in relation to the insurance contracts held.

As mentioned in Note 31 (Details of Insurance Contract Liabilities) to the consolidated financial statements, the carrying amount of premium reserve as of the end of the reporting period was KRW 39.5 trillion, of which 67% is KRW 59 trillion for total liabilities and 82.9% is KRW 47.7 trillion for insurance contract liabilities. Premium reserve is a category that includes significant judgment by the management since it is calculated as the present value of future cash flows during the estimated insurance period according to the base rate at the time of settlement used by the insurance company for each product. In this regard, we have determined that a significant amount of the auditor's attention was necessary and decided that it is a key audit matter.

As of the end of the reporting period, the main audit procedures we performed on the premium reserve of KRW 39.5 trillion recorded in the consolidated financial statements are as follows.

- Understand the Consolidated Company's accounting policies related to the calculation of premium reserve and check whether the calculation method complies with the Insurance Business Supervision Regulations and its enforcement regulations
- Check whether any contracts subject to accumulation are omitted by comparing the contract information held in the operating system of the Consolidated Company and the contract information held in the premium reserve calculation result.
- Check whether the total amount of premium reserve in the final reserve closing file and the settlement information match
- Check whether there are any changes to the supervisory laws and internal calculation rules applied when calculating the premium reserve and whether the changes are properly reflected.
- Check whether the basic calculation information, such as methodologies, assumptions, and input variables, is applied in accordance with the supervisory regulations and internal calculation regulations for products with a high proportion of holdings by collateral.

Responsibilities of the Management and the Governing Body for the Consolidated Financial Statements

The senior management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Korean International Financial Reporting Standards. It also handles internal controls that it determines are necessary to prepare the consolidated financial statements that are free from material misstatement due to fraud or error. The senior management assesses the Consolidated Company's ability to continue as a going concern when preparing the consolidated financial statements, and for disclosing going concern related matters, where applicable. Unless the senior management intends to liquidate or cease business operations, it is also responsible for the use of the going concern principle. The governing body is responsible for monitoring the financial reporting procedures of the Consolidated Company.

Auditor's Responsibilities for Auditing the Consolidated Financial Statements

Our objective is to secure a reasonable assurance about whether the consolidated financial statements of the Consolidated Company as a whole are free from material misstatement due to fraud or an error, and issue an audit report containing our opinion. Reasonable assurance implies a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always discover material misstatements. Misrepresentation may result from fraud or an error. A misstatement is considered material if it can be reasonably expected, individually or collectively, to affect users' economic decisions based on the consolidated financial statements. As part of the audit in accordance with the audit standards, we exercise professional judgment and maintain professional skepticism throughout the entire audit process. In addition, we do the following:

- We identify and evaluate the risks of material misstatement in the consolidated financial statements due to fraud or an error, and design and perform the audit procedures to address those risks. In addition, we collect a sufficient and appropriate audit evidence as the basis for our audit opinion. Because fraud can involve collusion, falsification, intentional omissions, misrepresentation, or the breach of internal controls, the risk of failing to discover material misstatements due to fraud outweighs the risk of an error.
- We understand the necessity of internal controls related to auditing in order to design audit procedures that are appropriate for the situation. However, it is not intended to express an opinion on the effectiveness of internal controls.
- We evaluate the appropriateness of the accounting policies applied by the senior management to prepare the consolidated financial statements and the reasonableness of accounting estimates and the related disclosures both derived by the senior management.
- Based on the appropriateness of the going concern principle used by the senior management and the audit evidence collected, we make conclusions regarding events that could give rise to significant questions about the company's ability to continue as a going concern and about whether material uncertainties related to circumstances exist. If we conclude that material uncertainties exist, then we are required to draw attention to the audit report regarding the relevant disclosures in the consolidated financial statements. If these disclosures are inappropriate, then we are also required to change our opinion. Our conclusions are based on

the audit evidence collected up to the date of the audit report, but future events or circumstances could cause the Consolidated Company to cease its existence as a going concern.

- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including disclosures, and evaluate whether the consolidated financial statements present the transactions and events underlying the consolidated financial statements in a fair manner.
- In order to express an opinion on the consolidated financial statements, we obtain sufficient and appropriate audit evidence relating to the company's financial information or business activities within the group. We are responsible for the direction, supervision, and performance of the group's audit and are fully responsible for the audit opinion.

We communicate with the governing body about significant audit findings, such as the planned scope and timing of the audit, and significant inadequacies in internal control identified during the audit, among other matters. In addition, we provide a statement to the governing body that we will comply with the ethical requirements related to our independence and communicate with the governing body all relationships and other matters and, where applicable, relevant institutional safeguards, that we believe are relevant to our independence.

Of the matters communicated to the governing body, we determine the most significant matters in the audit of the current consolidated financial statements as key audit matters. Unless the law excludes public disclosure of such matters, or even though it is an extremely rare circumstance, unless we conclude that we should not communicate the matter in the audit report because it is reasonably expected that the negative consequences of including our description in the audit report will exceed the public benefit from its communication, we describe these in our audit report.

Seongyeon Hwang is the Executive Director of the audit on which this audit report is based.

CEO **Yonggeun Park**

EY Hanyoung Korea

111, Yeouigongwon-ro, Yeongdeungpo-gu, Seoul

Mar. 16, 2023

This audit report is valid as of the audit report date. Therefore, events or circumstances that may materially affect the attached consolidated financial state-ments may occur between the audit report date and the time this report is read, possibly causing this audit report to be revised as a result.

GHG Assurance Statement

kpc

GHG Verification Statement on「DB Insurance's 2022 GHG inventory report」

■ Introduction

Korea Productivity Center Quality Assurance (hereinafter 'KPC-QA') has been engaged by DB Insurance (hereinafter the 'Company') to independently verify its 2022 Greenhouse Gas Emission Report (hereinafter 'Inventory Report') under limited assurance. It is the responsibility of the Company to compile the 'Inventory Report' according to the ISO 14064-1. KPC-QA has responsibility to conduct verification based on the ISO 14064-3 to provide verification opinion on compliance of the 'Inventory Report' against verification criteria.

■ Verification Scope

The following are included in the scope of this Verification.

1) Scope 1, 2, 3* : Headquarters(DB Financial Center), Office buildings(Dongja-dong(Seoul), Cho-dong(Seoul), Dongnae(Busan), Daegu, Gwangju, Masan), data center, training center(Yeoju) and domestic rental office of DB Insurance

*For Scope 3, only category 6. Business travel was calculated

■ Assurance level

1) Scope 1, 2 : Reasonable assurance
2) Scope 3 : Limited assurance

■ Conclusion/Opinion

Based on verification process according to the ISO 14064-3, KPC-QA obtained reasonable basis to express the following conclusion on the 2022 DB Insurance Inventory Report.

1) The Inventory Report was prepared reasonably against 'ISO 14064-1'.
2) As a result of materiality assessment on GHG emissions of DB Insurance, the verification has been prepared in accordance with the requirements of ISO 14064-3.

	Reporting Period	2022.1.1~2022.12.31
Total Annual Emissions (tCO_2-eq)	Direct Emissions (Scope 1)	2,927
	Indirect Emissions (Scope 2)	23,008
	Indirect Emissions (Scope 3)	187
	Total Emissions	26,122

June 27, 2023

Korea Productivity Center Quality Assurance CEO **Oh Kyung Hui**

Kyung Hui Oh

Independent Assurance Statement

To: The Stakeholders of DB Insurance

Introduction and Objectives of Work

BSI Group Korea (hereinafter "the Assurer") was requested to verify DB Insurance Integrated Report 2023 (hereinafter "the Report"). This assurance statement applies only to the relevant information included in the scope of the assurance. DB Insurance is solely responsible for all information and assertion contained in the Report. The responsibility of the Assurer is to provide DB Insurance with independent assurance statement based on its expert opinions by applying the verification methodology for the specified assurance scope. It is also to provide the information to all stakeholders of DB Insurance.

Standards and Levels

This assurance was based on the AA1000AS (Assurance Standard) v3 (2020) Assurance Standard and confirmed that the Report was prepared in accordance with the GRI Standards, the international standards guidelines of sustainability reports. In accordance with the AA1000 AS, the assurance level was Moderate Level, and conducted against Type 1 to confirm compliance with the four principles of the AA1000 AP (AccountAbility Principles) 2018.

Scope

The scope of assurance applied to the Report is as follows;

- Report contents during the period from January 1st to December 31st 2022 included in the report, some data included 2023.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review

The following contents were not included in the scope of assurance.

- Financial information in Appendix
- Index items related to other international standards and initiatives other than the GRI
- Other related additional information such as the website, business annual report.

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Review of the system for sustainability management strategy process and implementation
- Review of materiality issue analysis process and prioritization by reviewing materiality issue analysis process and verifying the results
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible department
- Verification of data generation, collection and reporting for each performance index

Limitation

The Assurer performed limited verification for a limited period based on the data provided by the reporting organization. It implies that no significant errors were found during the verification process, and that there are limitations related to the inevitable risks that may exist. The Assurer does not provide assurance for possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Assurance Opinion

On the basis of our methodology and the activities described above, it is our opinion that

- The information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement.
- The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards)
- The assurance opinions on the four principles presented in the AA1000 AP (2018) are as follows.

AA1000 AP (2018)

Inclusivity: Stakeholder Engagement and Opinion

DB Insurance defined Customers, Business Partners, Local Communities, Financial Institution/Investors and Government/Public Institutions as key stakeholder groups, and operated communication channels for each stakeholder group for engagement. DB Insurance reflected key issues derived from stakeholder channels to sustainability management decisions and disclosed the process in the Report.

Materiality: Identification and reporting of material sustainability topics

DB Insurance established the strategy related to sustainability management and established the process to derive reporting issues. DB Insurance identified financial and social/environmental impacts and derived 8 material issues based on the analysis of media research, benchmarking global advanced companies in its field, and analysis of major global initiatives related to sustainability.

Responsiveness: Responding to material sustainability topics and related impacts

DB Insurance established the management process for material issues determined by the materiality assessment, and implemented a response plan for each issue to appropriately respond to the derived core issues that reflects the expectations of stakeholders. DB Insurance disclosed the relevant process including establishing policy and indicators, activity and response performance on key reporting issues in the Report.

Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

DB Insurance established the process to identify and evaluate the impact on organizations and stakeholders related to material issues. DB Insurance used impacts, risk and opportunity factor analysis results for material issues to make decisions to develop response strategies for each issue, and disclosed the process in the Report.

Key areas for ongoing development

- It may be helpful to advance sustainability management system by developing a mid- to long-term ESG strategy for sustainable management and disclosing detailed objectives, plans, and performance by ESG strategy, taking into account DB Insurance business characteristics and stakeholder requirements.
- It may be helpful to advance sustainability management system by expanding the scope of sustainability issues that have an environmental and social impact on DB Insurance and specifying the process of collecting, measuring and evaluating relevant sustainability performance.

Statement of independence and competence

The Assurer is an independent professional institution that specializes in quality, health, safety, social and environmental management with almost 120 years history in providing independent assurance services. No member of the assurance team has a business relationship with DB Insurance. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assur ance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in depth understanding of the BSI Group's assurance standard methodology.

Evaluation against GRI 'In Accordance' Criteria

The Assurer confirmed that the Report was prepared in accordance with the GRI Standards and the disclosures related to the following Universal Standards and Topic Standards Indicators based on the data provided by DB Insurance, the sector standard was not applied.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

201-1~3, 203-1&2, 205-2&3, 206-1, 207-1, 302-1~2&4, 303-3&5, 305-1~3, 306-3~5, 401-2, 403-8, 404-1~3, 405-1, 406-1, 417-1, 418-1

28 June 2023

BSI Group Korea, Managing Director **S. H. Lim**

AA1000 Licensed Report 000-4/V3-HYBCY

GRI Standards Index

GRI	Disclosure	Reporting Page	Explanation	Omission	Reference
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	6, 10			Business Report p.7~12
	2-2 Entities included in the organization's sustainability reporting	2			
	2-3 Reporting period, frequency and contact point	2			
	2-4 Restatements of information	2			
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	2-10 Nomination and selection of the highest governance body	62			
	2-11 Chair of the highest governance body	61			
	2-12 Role of the highest governance body in overseeing the management of impacts	65			
	2-13 Delegation of responsibility for managing impacts	62			
	2-14 Role of the highest governance body in sustainability reporting	65			Report on Corporate Governance p.78~80
	2-15 Conflicts of interest	63			
	2-16 Communication of critical concerns	65			
	2-17 Collective knowledge of the highest governance body	-			Business Report p.455
	2-18 Evaluation of the performance of the highest governance body	64			
	2-19 Remuneration policies	63			Report on Compensation System
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	2-22 Statement on sustainable development strategy	4~5			
	2-23 Policy commitments	54, 58, 84			
	2-24 Embedding policy commitments	54, 84			
	2-25 Processes to remediate negative impacts	15, 55			
	2-26 Mechanisms for seeking advice and raising concerns	55~56			
	2-27 Compliance with laws and regulations	46, 56~57			
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	2-29 Approach to stakeholder engagement	37, 53, 66, 78, 83			
	2-30 Collective bargaining agreements	86			

GRI	Disclosure	Reporting Page	Explanation	Omission	Reference
Material Topic & Topic Standards					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	96			
	3-2 List of material topics	97			
Material Topics 1	Promotion of digital innovation such as InsurTech				
Non-GRI					
Material Topics 2	Customer-oriented customized product/service development				
GRI 3: Material Topics 2021	3-3 Management of material topics	97			
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	38~41	Establishment of a system to preemptively control incomplete sales according to industrial characteristics such as complete sales rate		
Material Topics 3	Expansion of strategic social contribution activities in connection with the insurance industry				
GRI 3: Material Topics 2021	3-3 Management of material topics	97			
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	73~77			
	203-2 Significant indirect economic impacts	73~77			
Material Topics 4	Strengthen ethics/compliance management				
GRI 3: Material Topics 2021	3-3 Management of material topics	97			
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	54~57			
	205-3 Confirmed incidents of corruption and actions taken	56			
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti trust, and monopoly practices	56~57	Number of legal actions : 0		Business Report p.479~483
Material Topics 5	Fair performance evaluation and compensation				
GRI 3: Material Topics 2021	3-3 Management of material topics	97			
GRI 201: Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	91			
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	91, 93			
GRI 404: Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	93			

GRI	Disclosure	Reporting Page	Explanation	Omission	Reference
Other GRI Index					
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	11, 32~33			
	201-2 Financial implications and other risks and opportunities due to climate change	98			
GRI 207: Tax	207-1 Approach to tax	33			
GRI 302: Energy	302-1 Energy consumption within the organization	68			
	302-2 Energy consumption outside of the organization	68			
	302-4 Reduction of energy consumption	67			
GRI 303: Water and Effluence	303-3 Water withdrawal	68			
	303-5 Water consumption	68			
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	68			
	305-2 Energy indirect (Scope 2) GHG emissions	68			
	305-3 Other indirect (Scope 3) GHG emissions	68			
GRI 306: Waste	306-3 Waste generated	68			
	306-4 Waste diverted from disposal	68			
	306-5 Waste directed to disposal	68			
GRI 403: Occupational Health and Safety	403-8 Workers covered by an occupational health and safety management system	92			
GRI 404: Training and Education	404-1 Average hours of training per year per employee	93			
	404-2 Programs for upgrading employee skills and transition assistance programs	88~91			
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	61			
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	84	No such case		
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	48	No such case		
Financial Service Sector					
Product portfolio	FS7 Value of financial products and services that deliver a specific social benefit, by type	18, 52			
	FS8 Value of financial products and services that deliver a specific environmental benefit, by type	18, 70			

TCFD Index

Category	Principles	Page
Governance	Describe the BOD's oversight of climate-related risks and opportunities.	15, 64~65
	Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	69~72
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	70
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	67~68
Risk management	Describe the organization's processes for identifying and assessing climate-related risks.	67, 72
	Describe the organization's processes for managing climate-related risks.	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	68
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	68
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	67

Major Awards and Participants

Major Awards

DB Insurance received the "Edaily Korea Financial Consumer Award"
Hosted by Edaily

Received the Consumer Protection Excellent Award, Asia Today Financial Awards in the category of insurance
Hosted by Asia Today

Received the Grand Prize in Financial Consumer Protection by the Korea Economic Daily
Hosted by Korea Economic Daily

DB Insurance ranked first in the category of long-term insurance at the 2022 KS-SQI for two consecutive years
Hosted by KSA

Affiliated Organizations and Associations

National Quality Award Winners	Korea Personnel Improvement Association	Korea Management Association
General Insurance Association of Korea	Korea Listed Companies Association	Korea Enterprises Federation
Korea Fire Protection Association	Korea Academy Of Business Ethics	Financial Security Institute
CFO Association (Forum)	Korean Insurance Academic Society	Financial Information Protection Council

Major membership dues

(Unit : KRW million)

No.	Name	Amount
1	General Insurance Association of Korea	4,164
2	Korea Insurance Development Institute	2,201
3	Automobile Technology Research Center	1,943
4	Korea Insurance Research Institute	1,007
5	Korea Credit Information Services	747
	Total	10,046

DB Insurance

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